SUMMARY OF GOVERNOR'S BUDGET RECOMMENDATIONS

2011-13 Wisconsin State Budget

Legislative Fiscal Bureau
March, 2011

2011-13 WISCONSIN STATE BUDGET

SUMMARY OF GOVERNOR'S BUDGET RECOMMENDATIONS

LEGISLATIVE FISCAL BUREAU

ONE EAST MAIN, SUITE 301
MADISON, WISCONSIN

LEGISLATIVE FISCAL BUREAU

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INTRODUCTION

This document provides a summary of each agency, program, and item contained in the state's 2011-13 budget as recommended by the Governor. The Governor's budget has been introduced as Senate Bill 27/Assembly Bill 40. Not addressed in SB 27/AB 40 is the 2011-13 state building program. That budget is to be submitted to the Joint Committee on Finance by April 5, 2011.

An introductory portion of this document contains a Table of Contents, Key to Abbreviations, and User's Guide.

The "2011-13 Overview" section provides a series of tables that display the Governor's recommended 2011-13 revenues, appropriations, and position levels.

Following the summary information is a section that contains summaries for each state agency and program within the bill. The agency summaries appear in alphabetical order and contain a funding and position table as well as a brief narrative description and corresponding fiscal effect, if any, of each budget provision.

The intent of the document is to summarize the Governor's 2011-13 budget as represented in SB 27/AB 40, the Executive Budget Book, and other budget materials prepared by the Department of Administration. Accordingly, the revenue and appropriation amounts of this summary are those developed by the administration.

It should be noted that there are some references in the document to 2011 Act 10. Act 10 was signed by the Governor on March 11. As of this printing, Act 10 has not been published.

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KEY TO ABBREVIATIONS

REVENUES

BR	Bond revenues which are available from the contracting of public debt (general obligation bonding) or from the contracting of debt which is to be repaid from project revenues and does not constitute debt of the state (revenue bonding).
GPR-Earned	Departmental revenues which are collected by individual state agencies and deposited in the general fund.
GPR-Tax	Revenues which are collected from general fund taxes.
GPR-Tribal	Revenues which are collected from tribal gaming revenues and deposited in the general fund.
REV	Revenue

APPROPRIATIONS

GPR	Appropriations financed from general purpose revenues available in the state's general fund.
FED	Appropriations financed from federal revenues.
PR	Appropriations financed from program revenues, such as user fees or product sales.
PR-S	Program Revenue-Service. Appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
SEG	Appropriations financed from segregated revenues.
SEG-Local	Appropriations financed from local revenues which are administered through a state segregated fund.

SEG-S	Segregated Revenue-Service. Segregated appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
Lapse	Budgeted amounts that are unspent at the end of a fiscal period which revert back to the fund from which they were appropriated.

OTHER

2009 Wisconsin Act 2	The 2008-09 budget adjustment act.
2009 Wisconsin Act 28	The 2009-11 budget act.
2011 SB 27/AB 40	Senate Bill 27 and Assembly Bill 40, the Governor's 2011-13 budget recommendations.
CY	Calendar year.
FY	Fiscal year.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to 1,044 hours per appointment in a 12-month period.
2010-11 Adjusted Base	The total 2010-11 authorized funding level for an agency or program. The adjusted base equals 2010-11 appropriations, pay plan modifications, and by other supplements. It is this base that serves as the beginning point for calculating budget changes for 2011-13.
2010-11 Base Year Doubled	The 2010-11 base multiplied by two. This produces the biennial base level against which 2011-13 budget levels may be compared.

USER'S GUIDE

The following explanation of entries is keyed to the accompanying sample on entry page 4.

1 Name of agency.

2 Listed in this column is the funding source for the amounts shown in Columns 3 through 5. Only the funding sources which are included in the agency's budget are shown.

3 The 2010-11 base represents authorized appropriation and position levels for 2010-11.

4 The Governor's recommended budget and position levels for 2011-12 and 2012-13.

5 These columns indicate the change, by amount and percentage, of the Governor's recommendation over the 2010-11 base year, doubled. For positions, the comparison is made between the recommended authorization for 2012-13 and that of 2010-11.

6 Indicates the beginning of the summary of each fiscal and statutory change to the agency's base budget and current law.

7 This uniform entry, "Standard Budget Adjustments," includes such things as full funding of continuing positions, turnover reductions, and removal of one-time funding items. The box, to the right of the title, highlights the funding and position change to the agency's base as a result of the item. For every item which has a fiscal and/or position change, a box with that information will be presented.

8 Listed here will be the bill section(s), if any, of the budget bill which relate to the provision. If the only change is to the agency's funding level (contained in the appropriations schedule, SECTION 373 of the budget bill) no bill section will be listed.

HIGHER EDUCATIONAL AIDS BOARD 1

2	3	4 Budget Summary		5		3	4 FTE Position Summary		5	
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$160,144,700	$147,285,300	$157,909,500	- $15,094,600	- 4.7%	10.50	11.00	11.00	0.50	4.8%
FED	1,433,600	1,567,700	1,567,700	268,200	9.4	0.00	0.00	0.00	0.00	0.0
PR	1,234,800	1,234,800	1,234,800	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	$162,813,100	$150,087,800	$160,712,000	- $14,826,400	- 4.6%	10.50	11.00	11.00	0.50	4.8%

6 Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$159,700

7 **Governor:** Adjust the base budget by $79,100 in 2011-12 and $80,600 in 2012-13 for: (a) full funding of salaries and fringe benefits ($77,700 annually); and (b) full funding of lease costs ($1,400 in 2011-12 and $2,900 in 2012-13).

2. ACROSS-THE-BOARD REDUCTION

GPR	- $45,000

Governor: Delete $22,500 annually from the general program operations appropriation for program administration as part of an across-the-board reduction of most GPR and PR appropriations. The across-the-board reductions are equal to 10% of the appropriation less any amounts used to fund salary and fringe benefit costs. GPR and PR appropriations for student aid programs were excluded from these across-the-board reductions.

3. WHEG-UW

Governor: Modify current law to suspend the link between funding for the Wisconsin higher education grant program for UW students (WHEG-UW) and average increases in UW resident undergraduate tuition for the 2011-13 biennium and maintain base level funding of $58,345,400 in each year of the biennium. For the purpose of calculating future WHEG-UW appropriation amounts, set the statutory base funding reference at $58,345,400.

In addition, specify that students attending UW-Madison would continue to be eligible for WHEG-UW awards and require HEAB to determine the percentage by which resident undergraduate tuition would increase in future years for the purpose of calculating WHEG-UW funding increases under the sum sufficient link.

8 [Bill Sections: 518 and 1119 thru 1124]

2011-13 OVERVIEW

TABLE 1

Summary of 2011-13 Appropriations, Compensation Reserves, and Authorizations

Fund Source	2011-12	2012-13	Total	% of Total
General Purpose Revenue	**$14,014,216,400**	**$14,805,390,500**	**$28,819,606,900**	**47.3%**
Appropriations	13,987,426,400	14,727,480,500	28,714,906,900	
Compensation Reserves	26,790,000	77,910,000	104,700,000	
Federal Revenue	**8,651,463,900**	**8,596,154,100**	**17,247,618,000**	**28.3**
Appropriations	8,634,801,200	8,550,444,100	17,185,245,300	
Compensation Reserves	16,662,700	45,710,000	62,372,700	
Program Revenue	**3,014,953,800**	**3,051,578,000**	**6,066,531,800**	**10.0**
Appropriations	3,009,021,800	3,034,934,400	6,043,956,200	
Compensation Reserves	5,932,000	16,643,600	22,575,600	
Segregated Revenue	**3,636,482,100**	**3,691,073,000**	**7,327,555,100**	**12.0**
Appropriations	3,629,478,700	3,671,455,600	7,300,934,300	
Compensation Reserves	7,003,400	19,617,400	26,620,800	
Subtotal	**$29,317,116,200**	**$30,144,195,600**	**$59,461,311,800**	**97.6%**
Appropriations	29,260,728,100	29,984,314,600	59,245,042,700	
Compensation Reserves	56,388,100	159,881,000	216,269,100	
Bond Revenue			**1,427,714,600**	**2.4**
General Obligation Bonding			732,951,500	
Revenue Bonding			694,763,100	
Total			**$60,889,026,400**	**100.0%**

Note: Table 1 reflects amounts shown in the Governor's budget bill. Excluded from the bill is $4,640,770,600 of program and federal revenue for the UW Hospital and Clinics Board and UW-Madison authority that the bill would remove from the schedule of appropriations. If these amounts are included, the biennial subtotal shown above would be $64,102,082,400 and the total would be $65,529,797,000.

TABLE 2

Summary of Total All Funds Appropriations by Agency

Agency	2010-11 Base Year Doubled	2011-13 Agency Request	Governor's Recommendation 2011-12	Governor's Recommendation 2012-13	Governor's Recommendation 2011-13	2011-13 Change Over Base Doubled Amount	%
Administration	$1,865,401,600	$2,131,524,400	$919,309,500	$1,176,391,500	$2,095,701,000	$230,299,400	12.3%
Agriculture, Trade and Consumer Prot.	203,333,800	222,184,000	103,628,500	105,926,900	209,555,400	6,221,600	3.1
Arts Board	7,444,800	7,794,800	0	0	0	- 7,444,800	- 100.0
Bd. for People with Developmental Disab.	2,809,000	2,849,200	1,301,700	1,301,700	2,603,400	- 205,600	- 7.3
Board of Commissioners of Public Lands	3,112,800	3,184,400	1,547,200	1,547,200	3,094,400	- 18,400	- 0.6
Board on Aging and Long-Term Care	5,161,400	5,962,700	2,544,800	2,544,800	5,089,600	- 71,800	- 1.4
Building Commission	56,851,400	56,851,400	15,709,300	50,485,400	66,194,700	9,343,300	16.4
Child Abuse and Neglect Prevention Board	7,569,600	7,676,600	2,970,700	2,970,700	5,941,400	- 1,628,200	- 21.5
Children and Families	2,254,420,600	2,268,515,600	1,256,132,900	1,220,371,800	2,476,504,700	222,084,100	9.9
Circuit Courts	191,580,000	231,857,100	90,382,400	90,481,100	180,863,500	- 10,716,500	- 5.6
Commerce	366,456,400	372,396,400	0	0	0	- 366,456,400	- 100.0
Compensation Reserves		470,020,000	56,388,100	159,881,000	216,269,100	216,269,100	N.A.
Corrections	2,598,039,400	2,663,907,600	1,208,898,200	1,272,775,600	2,481,673,800	- 116,365,600	- 4.5
Court of Appeals	20,324,000	20,954,000	10,016,400	10,016,400	20,032,800	- 291,200	- 1.4
District Attorneys	89,344,000	106,852,300	46,339,900	45,996,500	92,336,400	2,992,400	3.3
Educational Communications Board	37,437,200	39,044,800	16,949,100	19,161,800	36,110,900	- 1,326,300	- 3.5
Employee Trust Funds	61,987,600	77,249,400	31,901,000	31,139,200	63,040,200	1,052,600	1.7
Employment Relations Commission	6,250,000	6,940,400	3,198,000	3,198,000	6,396,000	146,000	2.3
Environmental Improvement Fund	112,749,600	112,749,600	23,874,100	47,286,000	71,160,100	- 41,589,500	- 36.9
Financial Institutions	35,072,400	38,172,300	17,606,900	17,649,600	35,256,500	184,100	0.5
Fox River Navigational System Authority	250,800	250,800	125,400	125,400	250,800	0	0.0
Government Accountability Board	10,317,200	13,053,800	4,718,000	5,398,200	10,116,200	- 201,000	- 1.9
Governor	8,466,400	8,850,200	4,144,700	4,144,700	8,289,400	- 177,000	- 2.1
Health Services	16,258,071,200	18,694,159,800	8,778,640,100	8,725,655,000	17,504,295,100	1,246,223,900	7.7
Higher Educational Aids Board	325,626,200	404,412,400	150,087,800	160,712,000	310,799,800	- 14,826,400	- 4.6
Historical Society	43,149,600	46,534,400	19,879,700	21,638,900	41,518,600	- 1,631,000	- 3.8
Insurance	207,926,400	211,271,100	103,937,300	103,937,300	207,874,600	- 51,800	0.0
Investment Board	60,045,200	60,045,200	28,888,600	28,888,600	57,777,200	- 2,268,000	- 3.8
Judicial Commission	491,600	507,400	358,300	290,900	649,200	157,600	32.1
Judicial Council	255,200	273,600	127,700	127,700	255,400	200	0.1
Justice	188,177,400	194,010,000	88,450,800	88,370,400	176,821,200	- 11,356,200	- 6.0
Legislature	149,425,200	150,555,400	75,276,800	75,278,600	150,555,400	1,130,200	0.8
Lieutenant Governor	781,600	821,000	393,500	393,500	787,000	5,400	0.7
Lower-WI State Riverway Board	405,400	421,800	202,600	202,600	405,200	- 200	0.0
Medical College of Wisconsin	13,967,400	13,967,400	6,071,000	7,938,900	14,009,900	42,500	0.3
Military Affairs	163,553,000	169,908,500	79,632,700	82,987,200	162,619,900	- 933,100	- 0.6
Miscellaneous Appropriations	317,384,600	243,659,100	152,506,300	129,475,700	281,982,000	- 35,402,600	- 11.2
Natural Resources	1,129,434,200	1,166,519,300	475,667,600	540,989,000	1,016,656,600	- 112,777,600	- 10.0
Office of State Employment Relations	11,988,400	12,708,400	5,678,100	5,643,100	11,321,200	- 667,200	- 5.6
Program Supplements	34,132,600	13,503,400	50,519,300	4,885,300	55,404,600	21,272,000	62.3
Public Defender	156,395,600	187,221,100	81,655,600	83,370,300	165,025,900	8,630,300	5.5
Public Instruction	12,994,858,800	13,294,019,900	5,967,623,900	5,985,690,900	11,953,314,800	- 1,041,544,000	- 8.0
Public Service Commission	50,104,400	51,641,400	23,981,900	23,981,900	47,963,800	- 2,140,600	- 4.3
Revenue	361,173,200	366,970,700	173,725,600	173,489,500	347,215,100	- 13,958,100	- 3.9
Safety and Professional Services	27,493,000	32,292,200	68,190,800	68,190,800	136,381,600	108,888,600	396.1

TABLE 2 (continued)

Summary of Total All Funds Appropriations by Agency

Agency	2010-11 Base Year Doubled	2011-13 Agency Request	Governor's Recommendation 2011-12	Governor's Recommendation 2012-13	Governor's Recommendation 2011-13	2011-13 Change Over Base Doubled Amount	2011-13 Change Over Base Doubled %
Secretary of State	$1,451,400	$1,601,500	$513,600	$513,600	$1,027,200	- $424,200	- 29.2%
Shared Revenue and Tax Relief	4,794,704,000	4,885,928,100	2,419,508,600	2,365,255,100	4,784,763,700	- 9,940,300	- 0.2
State Fair Park Board	37,476,400	41,665,800	18,726,000	21,147,300	39,873,300	2,396,900	6.4
State Treasurer	14,891,400	15,245,000	4,861,100	4,861,100	9,722,200	- 5,169,200	- 34.7
Supreme Court	62,520,800	64,260,300	30,053,700	30,025,000	60,078,700	- 2,442,100	- 3.9
Tourism	27,949,200	28,613,600	16,587,600	18,931,700	35,519,300	7,570,100	27.1
Transportation	5,626,001,600	5,582,333,000	2,694,638,100	2,953,783,900	5,648,422,000	22,420,400	0.4
UW Hospitals and Clinics Board	307,479,000	318,401,800	0	0	0	- 307,479,000	- 100.0
University of Wisconsin Madison	0	0	493,632,200	582,609,500	1,076,241,700	1,076,241,700	N.A.
University of Wisconsin System	10,824,986,800	11,385,080,700	2,735,197,600	2,830,576,800	5,565,774,400	- 5,259,212,400	- 48.6
Veterans Affairs	285,451,200	307,558,700	132,704,000	139,816,100	272,520,100	- 12,931,100	- 4.5
WI Economic Development Corporation	0	0	98,845,500	97,501,400	196,346,900	196,346,900	N.A.
WI Housing and Economic Development Auth.	0	0	40,709,100	40,709,100	81,418,200	81,418,200	N.A.
Wisconsin Technical College System	371,700,600	397,214,500	146,295,300	146,295,300	292,590,600	- 79,110,000	- 21.3
Workforce Development	698,729,000	694,652,900	335,661,000	331,238,100	666,899,100	- 31,829,900	- 4.6
Subtotal	$63,492,561,600	$67,906,821,200	$29,317,116,200	$30,144,195,600	$59,461,311,800	- $4,031,249,800	- 6.3%
Amounts Transferred to Authorities	0	0	2,313,967,700	2,326,802,900	4,640,770,600	4,640,770,600	N.A.
Total	$63,492,561,600	$67,906,821,200	$31,631,083,900	$32,470,998,500	$64,102,082,400	$609,520,800	1.0%

TABLE 3

Summary of All Funds Full-Time Equivalent Positions by Agency

Agency	2010-11 Base	2012-13 Agency Request	Governor 2011-12	Governor 2012-13	Governor's 2012-13 Change Over 2010-11 Number	Governor's 2012-13 Change Over 2010-11 Percent
Administration	1,058.42	1,004.66	983.77	969.51	- 88.91	- 8.4%
Agriculture, Trade and Consumer Protection	599.32	610.32	591.39	597.39	- 1.93	- 0.3
Arts Board	10.00	10.00	0.00	0.00	- 10.00	- 100.0
Board for People with Developmental Disabilities	7.75	7.75	6.25	6.25	- 1.50	- 19.4
Board of Commissioners of Public Lands	8.50	8.50	8.50	8.50	0.00	0.0
Board on Aging and Long-Term Care	35.00	37.00	33.00	33.00	- 2.00	- 5.7
Child Abuse and Neglect Prevention Board	7.00	7.00	6.00	6.00	- 1.00	- 14.3
Children and Families	692.71	702.55	690.05	691.05	- 1.66	- 0.2
Circuit Courts	527.00	527.00	527.00	527.00	0.00	0.0
Commerce	392.85	390.35	0.00	0.00	- 392.85	- 100.0
Corrections	10,594.22	10,631.72	10,261.37	10,253.37	- 340.85	- 3.2
Court of Appeals	75.50	75.50	75.50	75.50	0.00	0.0
District Attorneys	436.10	505.46	423.65	420.90	- 15.20	- 3.5
Educational Communications Board	62.18	62.18	56.68	56.68	- 5.50	- 8.8
Employee Trust Funds	243.20	249.70	249.70	249.70	6.50	2.7
Employment Relations Commission	26.00	26.00	25.50	25.50	- 0.50	- 1.9
Financial Institutions	135.54	137.54	136.54	136.54	1.00	0.7
Government Accountability Board	17.75	39.75	17.75	17.75	0.00	0.0
Governor	37.25	37.25	37.25	37.25	0.00	0.0
Health Services	5,574.71	5,657.36	5,686.51	5,677.25	102.54	1.8
Higher Educational Aids Board	10.50	12.00	11.00	11.00	0.50	4.8
Historical Society	143.54	149.54	125.54	125.54	- 18.00	- 12.5
Insurance	144.00	144.00	143.00	143.00	- 1.00	- 0.7
Investment Board	124.25	124.25	124.25	124.25	0.00	0.0
Judicial Commission	2.00	2.00	2.00	2.00	0.00	0.0
Judicial Council	1.00	1.00	1.00	1.00	0.00	0.0
Justice	595.39	594.99	588.99	590.99	- 4.40	- 0.7
Legislature	777.97	777.97	777.97	777.97	0.00	0.0
Lieutenant Governor	4.00	4.00	4.00	4.00	0.00	0.0
Lower-WI State Riverway Board	2.00	2.00	2.00	2.00	0.00	0.0
Military Affairs	433.36	433.36	417.31	416.31	- 17.05	- 3.9
Natural Resources	2,709.22	2,710.97	2,639.94	2,636.94	- 72.28	- 2.7
Office of State Employment Relations	55.50	53.50	48.65	48.65	- 6.85	- 12.3
Public Defender	580.85	584.85	579.85	579.85	- 1.00	- 0.2
Public Instruction	634.29	629.09	615.62	610.12	- 24.17	- 3.8

TABLE 3 (continued)

Summary of All Funds Full-Time Equivalent Positions by Agency

Agency	2010-11 Base	2012-13 Agency Request	Governor 2011-12	Governor 2012-13	Governor's 2012-13 Change Over 2010-11 Number	Governor's 2012-13 Change Over 2010-11 Percent
Public Service Commission	167.00	167.00	151.00	151.00	- 16.00	- 9.6%
Revenue	1,114.43	1,107.43	1,036.08	1,036.08	- 78.35	- 7.0
Safety and Professional Services	122.32	124.45	379.60	379.60	257.28	210.3
Secretary of State	7.50	7.50	4.00	4.00	- 3.50	- 46.7
State Fair Park Board	38.90	38.90	38.90	39.90	1.00	2.6
State Treasurer	14.70	15.20	9.95	9.95	- 4.75	- 32.3
Supreme Court	220.75	219.75	219.75	219.75	- 1.00	- 0.5
Tourism	34.45	34.45	35.00	35.00	0.55	1.6
Transportation	3,495.48	3,441.41	3,346.52	3,286.52	- 208.96	- 6.0
UW Hospitals and Clinics Board	2,609.38	2,613.77	0.00	0.00	- 2,609.38	- 100.0
University of Wisconsin System	33,501.34	33,986.29	16,081.05	16,081.05	- 17,420.29	- 52.0
Veterans Affairs	1,113.10	1,214.60	1,092.60	1,092.60	- 20.50	- 1.8
Wisconsin Technical College System	82.30	85.30	63.00	63.00	- 19.30	- 23.5
Workforce Development	1,828.09	1,608.86	1,561.48	1,522.98	- 305.11	- 16.7
Subtotal	71,108.61	71,616.02	49,916.46	49,784.19	- 21,324.42	- 30.0%
Positions Whose Functions Transferred to an Authority	0.00	0.00	20,111.17	20,111.17	20,111.17	N.A.
Total	71,108.61	71,616.02	70,027.63	69,895.36	- 1,213.25	- 1.7%

Full-Time Equivalent Positions Summary by Funding Source

Fund	2010-11 Base	2012-13 Agency Request	Governor 2011-12	Governor 2012-13	Governor's 2012-13 Change Over 2010-11 Number	Governor's 2012-13 Change Over 2010-11 Percent
GPR	35,761.66	36,549.78	28,635.82	28,664.44	- 7,097.22	- 19.8%
FED	10,330.09	10,027.63	5,472.03	5,387.14	- 4,942.95	- 47.9
PR	19,843.38	19,902.72	10,890.25	10,877.25	- 8,966.13	- 45.2
SEG	5,173.48	5,135.89	4,918.36	4,855.36	- 318.12	- 6.1
Subtotal	71,108.61	71,616.02	49,916.46	49,784.19	- 21,324.42	- 30.0%
Positions Whose Functions Transferred to an Authority	0.00	0.00	20,111.17	20,111.17	20,111.17	N.A.
Total	71,108.61	71,616.02	70,027.63	69,895.36	- 1,213.25	- 1.7%

TABLE 4

Summary of General Fund Appropriations by Agency

Agency	2010-11 Base Year Doubled	2011-13 Agency Request	Governor's Recommendation 2011-12	Governor's Recommendation 2012-13	Governor's Recommendation 2011-13	2011-13 Change Over Base Doubled Amount	2011-13 Change Over Base Doubled %
Administration	$772,415,400	$1,032,829,500	$381,345,300	$643,082,300	$1,024,427,600	$252,012,200	32.6%
Agriculture, Trade and Consumer Protection	54,622,400	59,807,100	26,186,800	27,977,100	54,163,900	- 458,500	- 0.8
Arts Board	4,835,400	4,839,400	0	0	0	- 4,835,400	- 100.0
Bd. for People with Developmental Disab.	39,600	55,800	25,900	25,900	51,800	12,200	30.8
Board on Aging and Long-Term Care	2,033,800	2,157,100	1,077,200	1,077,200	2,154,400	120,600	5.9
Building Commission	50,566,200	50,566,200	12,502,100	46,447,900	58,950,000	8,383,800	16.6
Child Abuse and Neglect Prevention Board	2,215,200	2,614,200	999,600	999,600	1,999,200	- 216,000	- 9.8
Children and Families	693,857,200	714,397,100	495,954,700	505,903,400	1,001,858,100	308,000,900	44.4
Circuit Courts	191,580,000	231,857,100	90,248,400	90,248,400	180,496,800	- 11,083,200	- 5.8
Commerce	53,648,200	54,558,800	0	0	0	- 53,648,200	- 100.0
Compensation Reserves		191,925,400	26,790,000	77,910,000	104,700,000	104,700,000	N.A.
Corrections	2,291,357,600	2,389,844,000	1,092,180,900	1,155,644,500	2,247,825,400	- 43,532,200	- 1.9
Court of Appeals	20,324,000	20,954,000	10,016,400	10,016,400	20,032,800	- 291,200	- 1.4
District Attorneys	84,578,200	101,683,500	41,684,600	41,684,600	83,369,200	- 1,209,000	- 1.4
Educational Communications Board	15,666,600	16,167,000	5,797,900	8,010,900	13,808,800	- 1,857,800	- 11.9
Employee Trust Funds	1,343,200	1,015,800	555,200	460,600	1,015,800	- 327,400	- 24.4
Employment Relations Commission	5,140,400	5,612,000	2,574,800	2,574,800	5,149,600	9,200	0.2
Environmental Improvement Fund	94,749,600	94,749,600	15,874,100	39,286,000	55,160,100	- 39,589,500	- 41.8
Government Accountability Board	4,875,200	5,809,400	2,627,000	2,664,700	5,291,700	416,500	8.5
Governor	8,466,400	8,850,200	4,144,700	4,144,700	8,289,400	- 177,000	- 2.1
Health Services	4,264,449,200	4,939,069,800	2,645,359,500	2,614,886,100	5,260,245,600	995,796,400	23.4
Higher Educational Aids Board	320,289,400	398,740,800	147,285,300	157,909,500	305,194,800	- 15,094,600	- 4.7
Historical Society	26,996,400	29,810,800	12,178,700	13,943,800	26,122,500	- 873,900	- 3.2
Judicial Commission	491,600	507,400	358,300	290,900	649,200	157,600	32.1
Judicial Council	255,200	273,600	127,700	127,700	255,400	200	0.1
Justice	83,159,600	86,358,800	41,084,300	41,113,200	82,197,500	- 962,100	- 1.2
Legislature	145,379,200	146,670,000	73,342,500	73,327,500	146,670,000	1,290,800	0.9
Lieutenant Governor	781,600	821,000	393,500	393,500	787,000	5,400	0.7
Medical College of Wisconsin	13,472,400	13,472,400	5,823,500	7,691,400	13,514,900	42,500	0.3
Military Affairs	45,921,600	48,628,900	19,542,000	23,896,500	43,438,500	- 2,483,100	- 5.4
Miscellaneous Appropriations	259,825,800	186,297,300	124,200,700	100,894,300	225,095,000	- 34,730,800	- 13.4
Natural Resources	239,203,400	245,272,200	63,494,300	129,673,300	193,167,600	- 46,035,800	- 19.2
Program Supplements	29,354,000	13,503,400	50,519,300	4,885,300	55,404,600	26,050,600	88.7
Public Defender	153,550,200	184,355,500	80,366,100	82,080,800	162,446,900	8,896,700	5.8
Public Instruction	10,975,947,400	11,507,215,100	5,085,024,800	5,120,426,200	10,205,451,000	- 770,496,400	- 7.0
Revenue	191,297,400	197,013,600	91,107,800	91,107,800	182,215,600	- 9,081,800	- 4.7
Safety and Professional Services	0	0	2,873,100	2,873,100	5,746,200	5,746,200	N.A.
Shared Revenue and Tax Relief	4,392,974,800	4,486,521,700	2,188,182,600	2,131,795,600	4,319,978,200	- 72,996,600	- 1.7
State Fair Park Board	4,726,200	4,726,200	1,196,600	3,363,800	4,560,400	- 165,800	- 3.5
Supreme Court	29,684,200	30,808,500	14,442,700	14,414,000	28,856,700	- 827,500	- 2.8
Tourism	5,753,000	6,379,000	3,502,100	5,846,200	9,348,300	3,595,300	62.5
Transportation	152,749,200	152,749,200	43,066,300	268,774,300	311,840,600	159,091,400	104.2
University of Wisconsin Madison	0	0	377,696,000	462,233,100	839,929,100	839,929,100	N.A.
University of Wisconsin System	2,299,026,600	2,513,697,500	574,914,700	639,136,400	1,214,051,100	- 1,084,975,500	- 47.2
Veterans Affairs	4,489,000	13,938,100	1,573,300	2,516,200	4,089,500	- 399,500	- 8.9
WI Economic Development Corporation	0	0	18,743,700	16,399,600	35,143,300	35,143,300	N.A.
WI Housing and Economic Development Auth.	0	0	5,063,000	5,063,000	10,126,000	10,126,000	N.A.
Wisconsin Technical College System	289,181,400	318,635,400	108,247,300	108,247,300	216,494,600	- 72,686,800	- 25.1
Workforce Development	49,893,600	53,126,800	23,921,100	23,921,100	47,842,200	- 2,051,400	- 4.1
Total	$28,331,167,000	$30,568,886,200	$14,014,216,400	$14,805,390,500	$28,819,606,900	$488,439,900	1.7%

TABLE 5

Summary of General Fund Full-Time Equivalent Positions by Agency

Agency	2010-11 Base	2012-13 Agency Request	Governor 2011-12	Governor 2012-13	Governor's 2012-13 Change Over 2010-11 Number	Governor's 2012-13 Change Over 2010-11 Percent
Administration	91.46	91.08	89.58	89.20	- 2.26	- 2.5%
Agriculture, Trade and Consumer Protection	205.50	211.00	206.50	209.50	4.00	1.9
Arts Board	4.00	4.00	0.00	0.00	- 4.00	- 100.0
Board on Aging and Long-Term Care	15.53	13.87	14.73	14.73	- 0.80	- 5.2
Child Abuse and Neglect Prevention Board	1.00	1.00	1.00	1.00	0.00	0.0
Children and Families	218.03	218.03	217.69	217.69	- 0.34	- 0.2
Circuit Courts	527.00	527.00	527.00	527.00	0.00	0.0
Commerce	59.15	59.15	0.00	0.00	- 59.15	- 100.0
Corrections	9,679.57	9,734.57	9,654.22	9,654.22	- 25.35	- 0.3
Court of Appeals	75.50	75.50	75.50	75.50	0.00	0.0
District Attorneys	380.90	484.21	380.90	380.90	0.00	0.0
Educational Communications Board	37.44	37.44	35.14	35.14	- 2.30	- 6.1
Employment Relations Commission	21.00	21.00	20.50	20.50	- 0.50	- 2.4
Government Accountability Board	14.30	14.30	14.30	14.30	0.00	0.0
Governor	37.25	37.25	37.25	37.25	0.00	0.0
Health Services	2,229.72	2,354.42	2,344.29	2,344.29	114.57	5.1
Higher Educational Aids Board	10.50	12.00	11.00	11.00	0.50	4.8
Historical Society	106.15	112.15	99.15	99.15	- 7.00	- 6.6
Judicial Commission	2.00	2.00	2.00	2.00	0.00	0.0
Judicial Council	1.00	1.00	1.00	1.00	0.00	0.0
Justice	367.08	367.08	374.08	377.08	10.00	2.7
Legislature	758.17	758.17	758.17	758.17	0.00	0.0
Lieutenant Governor	4.00	4.00	4.00	4.00	0.00	0.0
Military Affairs	88.82	97.32	80.63	80.63	- 8.19	- 9.2
Natural Resources	300.69	300.19	268.10	291.10	- 9.59	- 3.2
Public Defender	575.85	579.85	574.85	574.85	- 1.00	- 0.2
Public Instruction	261.46	261.46	250.25	250.25	- 11.21	- 4.3
Revenue	892.73	892.73	848.28	848.28	- 44.45	- 5.0
Safety and Professional Services	0.00	0.00	4.00	4.00	4.00	N.A.
Supreme Court	115.50	114.50	114.50	114.50	- 1.00	- 0.9
Tourism	30.45	30.45	30.00	30.00	- 0.45	-1.5
University of Wisconsin System	18,483.93	18,942.63	11,447.50	11,447.50	- 7,036.43	- 38.1
Veterans Affairs	0.00	24.45	0.00	0.00	0.00	N.A.
Wisconsin Technical College System	30.25	30.25	23.25	23.25	- 7.00	- 23.1
Workforce Development	135.73	135.73	126.46	126.46	- 9.27	- 6.8
Subtotal	35,761.66	36,549.78	28,635.82	28,664.44	- 7,097.22	- 19.8%
Positions Whose Functions Transferred to an Authority	0.00	0.00	7,081.93	7,081.93	7,081.93	N.A.
Total	35,761.66	36,549.78	35,717.75	35,746.37	- 15.29	< - 0.1%

TABLE 6

2011-13 General Fund Condition Statement

	2011-12	2012-13
Revenues		
Opening Balance, July 1	$65,115,400*	$99,032,500
Taxes	13,139,035,000	13,597,066,000
Departmental Revenues		
Tribal Gaming Revenues	25,700,700	26,882,300
Other	596,232,900	607,234,800
Total Available	$13,826,084,000	$14,330,215,600
Appropriations and Reserves		
Gross Appropriations	$13,987,426,400	$14,727,480,500
Reserve for Legal Settlements	25,000,000	25,000,000
Compensation Reserves	26,790,000	77,910,000
Less Lapses	-312,164,900	-607,512,400
Net Appropriations	$13,727,051,500	$14,222,878,100
Balances		
Gross Balance	$99,032,500	$107,337,500
Less Required Statutory Balance	-65,000,000	-65,000,000
Net Balance, June 30	$34,032,500	$42,337,500

*The opening balance of $65.1 million assumes enactment of the Joint Finance Committee's version of January 2011 Special Session SB 11/AB 11. As of the publication of this document, a number of the provisions of those bills had not been enacted into law.

TABLE 7

Estimated 2011-13 General Fund Taxes

Tax Source	2011-12	2012-13	2011-13	% of Total
Individual Income	$6,634,130,000	$6,979,453,000	$13,613,583,000	50.9%
Sales and Use	4,349,805,000	4,449,613,000	8,799,418,000	32.9
Corporate Income and Franchise	890,800,000	887,800,000	1,778,600,000	6.7
Public Utility	344,600,000	352,600,000	697,200,000	2.6
Excise				
Cigarette	615,000,000	610,000,000	1,225,000,000	4.6
Tobacco Products	66,500,000	69,000,000	135,500,000	0.5
Liquor and Wine	46,400,000	47,500,000	93,900,000	0.4
Beer	9,500,000	9,500,000	19,000,000	0.1
Insurance Company	133,300,000	134,600,000	267,900,000	1.0
Miscellaneous	49,000,000	57,000,000	106,000,000	0.4
Total	$13,139,035,000	$13,597,066,000	$26,736,101,000	100.0%

TABLE 8

2011-13 Departmental Revenues

Agency	2011-12	2012-13	Total
Administration	$5,595,700	$5,650,600	$11,246,300
Agriculture, Trade and Consumer Protection	98,900	98,900	197,800
Circuit Courts	52,000,000	52,000,000	104,000,000
Corrections	2,360,000	2,325,000	4,685,000
Court of Appeals	218,000	218,000	436,000
Educational Communications Board	10,000	10,000	20,000
Financial Institutions	59,381,600	58,313,200	117,694,800
Health Services	24,554,000	25,054,000	49,608,000
Insurance	22,961,200	22,461,200	45,422,400
Justice	398,400	398,400	796,800
Miscellaneous Appropriations	5,600,000	5,600,000	11,200,000
Natural Resources	5,486,500	5,486,500	10,973,000
Pension Obligation Bonds	129,105,700	137,460,500	266,566,200
Public Defender	20,000	30,000	50,000
Public Instruction	1,383,100	1,394,100	2,777,200
Public Service Commission	1,598,300	1,840,700	3,439,000
Revenue	34,759,100	35,083,300	69,842,400
Safety and Professional Services	2,379,200	1,665,500	4,044,700
Shared Revenue and Tax Relief	9,376,800	9,376,800	18,753,600
Supreme Court	59,000	59,000	118,000
Tobacco Settlement Revenues	97,586,100	97,189,100	194,775,200
Transfers/Lapses to General Fund	131,399,800	135,397,900	266,797,700
UW System	9,356,900	9,356,900	18,713,800
Wisconsin Technical College System	50,000	50,000	100,000
Workforce Development	494,600	715,200	1,209,800
Subtotal	$596,232,900	$607,234,800	$1,203,467,700
Tribal Gaming (Condition Statement)	25,700,700	26,882,300	52,583,000
Total	$621,933,600	$634,117,100	$1,256,050,700

TABLE 9

Summary of 2011-13 Appropriations
By Functional Area

All Funds*

Functional Area	Amount	% of Total
Human Resources	$23,935,118,900	40.3%
Education	19,290,360,700	32.4
Environmental Resources	6,772,414,000	11.4
Shared Revenue and Tax Relief	4,784,763,700	8.0
General Executive	2,773,117,000	4.7
Commerce	873,252,100	1.5
General Appropriations	403,581,300	0.7
Judicial	261,879,600	0.4
Compensation Reserves	216,269,100	0.4
Legislature	150,555,400	0.2
Total	$59,461,311,800	100.0%

*Excludes $4.6 billion of program and federal revenue for the UW Hospitals and Clinics Board and UW-Madison authority that the budget bill would remove from the schedule of appropriations.

General Purpose Revenue

Functional Area	Amount	% of Total
Education	$12,834,566,800	44.5%
Human Resources	8,790,347,000	30.5
Shared Revenue and Tax Relief	4,319,978,200	15.0
General Executive	1,384,474,000	4.8
Environmental Resources	569,516,600	2.0
General Appropriations	339,449,600	1.2
Judicial	230,290,900	0.8
Legislature	146,670,000	0.5
Compensation Reserves	104,700,000	0.4
Commerce	99,613,800	0.3
Total	$28,819,606,900	100.0%

TABLE 10

Summary of 2011-13 Appropriations By Purpose

All Funds*

Purpose	Amount	% of Total
State Operations	$19,398,767,800	32.6%
Local Assistance	19,399,345,200	32.6
Aids to Individuals and Organizations	20,663,198,800	34.8
Total	$59,461,311,800	100.0%

*Excludes $4.6 billion of program and federal revenue for the UW Hospitals and Clinics Board and UW-Madison authority that the budget bill would remove from the schedule of appropriations.

General Purpose Revenue

Purpose	Amount	% of Total
Local Assistance	$14,697,006,900	51.0%
State Operations	7,651,549,300	26.5
Aids to Individuals and Organizations	6,471,050,700	22.5
Total	$28,819,606,900	100.0%

STATE AGENCY 2011-13 BUDGET SUMMARIES

ADMINISTRATION

	Budget Summary					FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$386,207,700	$381,345,300	$643,082,300	$252,012,200	32.6%	91.46	89.58	89.20	- 2.26	- 2.5%
FED	166,089,000	168,032,900	166,429,600	2,284,500	0.7	112.91	80.06	67.56	- 45.35	- 40.2
PR	330,792,300	319,834,300	316,782,600	- 24,967,700	- 3.8	842.45	802.53	801.15	- 41.30	- 4.9
SEG	49,611,800	50,097,000	50,097,000	970,400	1.0	11.60	11.60	11.60	0.00	0.0
TOTAL	$932,700,800	$919,309,500	$1,176,391,500	$230,299,400	12.3%	1,058.42	983.77	969.51	- 88.91	- 8.4%

Budget Change Items

General Agency Provisions

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$1,860,700	- 0.38
FED	3,705,400	- 41.50
PR	8,046,500	- 0.38
SEG	-113,600	0.00
Total	$13,499,000	- 42.26

Governor: Provide standard budget adjustments to the base totaling $939,700 GPR, $2,656,200 FED, $4,034,400 PR and -$56,800 SEG and -29.0 FED positions in 2011-12 and $921,000 GPR, $1,049,200 FED, $4,012,100 PR, and -$56,800 SEG and -0.38 GPR, -41.5 FED and -0.38 PR positions in 2012-13. Adjustments are for: (a) turnover reduction (-$106,300 GPR and -$1,076,000 PR annually); (b) removal of non-continuing elements from the base (-$1,265,800 FED and -29.0 FED positions in 2011-12 and -$22,300 GPR, -$2,872,800 FED, and -$22,300 PR and -0.38 GPR, -41.50 FED, and -0.38 PR positions in 2012-13); (c) full funding of continuing salaries and fringe benefits ($1,039,500 GPR, $3,923,700 FED, $4,549,900 PR, and -$57,500 SEG annually); (d) reclassifications ($6,700 GPR in 2011-12 and $10,300 GPR in 2012-13); (e) overtime ($547,800 PR annually); (f) night and weekend differential ($28,400 PR annually); and (g) full funding of lease costs and directed moves (-$200 GPR, -$1,700 FED, -$15,700 PR, and $700 SEG annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $955,800
FED	- 807,100
PR	- 8,067,000
SEG	- 133,200
Total	- $9,963,100

Governor: Delete $4,983,400 in 2011-12 and $4,979,700 in 2012-13 to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $477,900 GPR, $405,400 FED, $4,033,500 PR, and $66,600 SEG in 2011-12 and $477,900 GPR, $401,700 FED, $4,033,500 PR, and $66,600 SEG in 2012-13. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

GPR	- $555,200
PR	- 9,049,000
Total	- $9,604,200

Governor: Reduce funding by $277,600 GPR and $4,524,500 PR annually associated with a 10% reduction to supplies and other non-personnel costs. Included in the recommended reductions are several large reductions which are shown below.

Fund	Appropriation	Annual Reduction
GPR	Program Operations	$175,800
PR	Land Information	$275,700
	Relay Service	433,600
	Materials and Services to State Agencies	196,800
	Telecommunications Services	1,953,700
	District Attorney Information Technology	282,600
	Financial Services	546,500
	Law Enforcement Grants	136,100

4. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $212,400	- 1.88
FED	- 61,200	- 0.50
PR	- 2,969,200	- 25.03
SEG	- 146,200	- 1.00
Total	- $3,389,000	- 28.41

Governor: Delete $1,694,500 (all funds) and 28.41 (all funds) positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $106,200 GPR and 1.88 GPR positions, $30,600 FED and 0.5 FED position, $1,484,600 PR and 25.03 PR positions, and $73,100 SEG and 1.0 SEG position annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

5. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE -- PENSION BONDS

GPR	$258,724,500
GPR-Lapse	237,992,300
GPR-Earned	20,732,200
Change to Balance	$0

Governor: Provide $258,724,500 in 2012-13 over base level funding of $274,749,000 in 2010-11 to meet the required debt service appropriation level associated with the appropriation obligation bonds issued to pay the state's Wisconsin Retirement System unfunded prior service liability as well as the accumulated sick leave conversion credit program liability. Corresponding increases would be made in lapses and transfers from state agency operation appropriations to pay for each agency's share of these costs. The estimated appropriation amounts are being increased to reflect the changes in the debt service schedule on the obligations primarily associated with the required refinancing of the variable rate portion of this debt with longer-term obligations.

The appropriation level must equal the maximum possible payment that could be made in a given year under the debt structure associated with these obligations and all related ancillary agreements. The funding level would be $274,749,000 in 2011-12 and $533,473,500 in 2012-13.

Estimate lapses to the general fund of $145,642,800 in 2011-12 and $396,012,500 in 2012-13 associated with lapses from agency general fund operations appropriations attributable to the GPR share of debt service on the appropriation obligation bonds, which would represent decrease of $6,188,700 in 2011-12 and an increase of $244,181,000 in 2012-13 from the budgeted lapse of $151,831,500 in the 2010-11 base year. Estimate GPR-Earned under DOA at $129,105,700 in 2011-12 and $137,460,500 in 2012-13 attributable to transfers from SEG and PR state agencies to offset a portion of this debt service, which would represent increases of $6,188,700 in 2011-12 and $14,543,500 from budgeted GPR-Earned of $122,917,000 in the 2010-11 base year. The funding adjustments associated with these bonds are shown in the following table:

	2011-12	2012-13	
DOA Appropriation for Debt Service	$274,749,000	$533,473,500	GPR
Related GPR-Lapses from Agencies	-145,642,800	-396,012,500	GPR- Lapse
Net GPR Appropriation	$129,106,200	$137,461,000	
Related Payments to General Fund From PR and SEG Appropriations	$129,105,700	$137,460,500	GPR-Earned

6. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE - - TOBACCO BONDS

GPR	$967,500
GPR-Lapse	618,800
GPR-Earned	5,949,600
Change to Balance	$5,600,900

Governor: Specify a decrease in funding of $125,900 in 2011-12 and an increase in funding of $1,093,400 in 2012-13 from the base level of $92,600,000 in 2010-11. These changes are a result of reestimated amounts needed to pay debt service on appropriation obligation bonds issued under the state's transaction to refinance the outstanding bonds of the Badger Tobacco Asset Securitization Corporation, under which the state regained the rights to its tobacco settlement payments. DOA issued the appropriation bonds to carry out this transaction in March, 2009.

Debt service on the appropriation obligation bonds are paid from an annual GPR appropriation and total requested debt service funding would be $92,474,100 in 2011-12 and $93,693,400 in 2012-13. Increase GPR-Earned estimates by $3,173,300 in 2011-12 and $2,776,300 in 2012-13, compared with the budgeted amount of $94,412,800 in 2010-11. These revenues are associated with the reacquired tobacco settlement revenues, which are deposited to the general fund after $50,000,000 annually is transferred to the medical assistance trust fund. In addition, estimate lapses of $4,000 in 2011-12 and $614,800 in 2012-13 associated with the tobacco-related appropriation obligation bonds issued under the March, 2009 transaction.

7. DEBT SERVICE REESTIMATE

GPR	- $3,289,200
PR	- 9,021,000
Total	- $12,310,200

Governor: Reestimate funding by -$1,214,900 GPR and -$3,386,100 PR in 2011-12 and -$2,074,300 GPR and -$5,634,900 PR in 2012-13 to reflect the current law reestimate of debt service costs on state general obligation bonds and commercial paper debt issued for the following programs: (a) general fund supported principal and interest for educational technology infrastructure in schools (-$1,296,000 GPR in 2011-12 and -$2,151,500 GPR in 2012-13); (b) general fund supported principal and interest for educational technology infrastructure in libraries ($9,600 GPR in 2011-12 and $4,900 GPR in 2011-12); (c) general fund supported principal and interest for the Black Point Estate in Lake Geneva ($71,500 GPR in 2011-12 and $72,300 GPR in 2012-13); (d) program revenue supported principal and interest for educational technology infrastructure for schools (-$307,700 PR in 2011-12 and -$700,300 PR in 2012-13); (e) program revenue supported principal and interest for educational technology infrastructure for public library boards (-$5,200 PR in 2012-13); (f) principal repayment and interest for parking in Madison ($2,400 PR in 2011-12 and $484,700 PR in 2012-13); and (g) principal repayment and interest for buildings used to house state agencies (-$3,080,800 PR in 2011-12 and -$5,414,100 PR in 2012-13).

8. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $2,433,100

Governor: Decrease funding by $2,552,200 in 2011-12 and increase funding by $119,100 in 2012-13 to the reflect the changes estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (see "Building Commission" for additional information regarding this provision).

9. ELEMENTARY SCHOOL READING TASK FORCE

GPR	$1,200,000

Governor: Provide $600,000 annually and create an appropriation for the costs to develop and implement a program to assess and improve literacy in elementary school children. Provide that a task force, created by the Governor by executive order and charged with developing detailed recommendations for a program to assess and improve literacy in elementary school children, may request DOA to release funding from the DOA appropriation for use by DOA to implement the recommendations of the task force after the Governor has approved the detailed recommendations proposed by the task force.

[Bill Sections: 726 and 9101(2)]

10. ELIMINATE THE OFFICE OF THE WISCONSIN COVENANT SCHOLARS PROGRAM

	Funding	Positions
GPR	- $406,400	- 2.00

Governor: Eliminate the Office of the Wisconsin Covenant Scholars program (OWCSP). Delete the appropriation for the Wisconsin Covenant and $203,200 and 2.0 positions annually and reduce the number of division administrator positions within the DOA by one. Transfer the assets, liabilities, and tangible personal property, including records, of OWCSP to the Higher Educational Aids Board (HEAB) on the effective date of the bill. In addition, transfer all contracts entered into, rules promulgated, and orders issued by OWCSP to HEAB. Specify that all transferred contracts, rules, and orders would remain in effect until their specified expiration date or until amended, repealed, modified, or rescinded by HEAB. Transfer all matters pending with OWCSP to HEAB.

In addition, delete current law requirements of DOA related to the promotion of postsecondary education. These requirements include: (a) serving as the state's liaison agency; (b) coordinating the postsecondary education promotional activities of state agencies, other organizations, and the Wisconsin Covenant Foundation, Incorporated (WCFI), and preventing duplication of effort in conducting those activities; (c) contracting with WCFI to establish and implement a campaign to promote attendance at nonprofit postsecondary institutions in this state if determined to be appropriate by the Secretary of DOA; and (d) reporting annually to the Legislature on the postsecondary educational promotional activities conducted by WCFI with state funding by July 1.

[Bill Sections: 83, 84, 95, 209, 725, 2753, and 9101(3)]

11. CREATE OFFICE OF BUSINESS DEVELOPMENT

	Funding	Positions
GPR	$363,400	2.00

Governor: Provide $181,700 and 2.0 unclassified positions annually to create an Office of Business Development attached to DOA. The Office would be at the direction of an unclassified Director. Specify that the Director and the Deputy Director would be appointed by the Governor and serve at the Governor's pleasure. Specify that the Director would be assigned to executive salary group (ESG) 3 and the Deputy Director would be assigned to ESG 2. The Office would perform the functions as determined by the DOA Secretary.

Funding for the Office would be as follows: (a) salary $132,900 annually, and (b) fringe benefits, $48,800 annually. No supplies and services funding would be provided. The current salary range for an ESG 2 is $64,160 to $99,449 annually. The current salary range for ESG 3 is

$69,294 to $107,407 annually.

[Bill Sections: 96, 213, 807, 814, and 2761]

12. INFORMATION TECHNOLOGY MANAGERS IN EXECUTIVE SALARY GROUP

Governor: Specify that the administrator of any division in DOA having responsibility for information technology management would be assigned to executive salary group (ESG) 7. Currently, the Director of the Office of State Employment Relations assigns the ESG level for division administrators with Joint Committee on Employment Relations approval.

The State Budget Office indicates that this provision is intended to apply only to the division administrator of DOA's Division of Enterprise Technology. The division administrator for the Division of Enterprise Technology is currently assigned to ESG 5 (an annual salary range of $80,826 to $125,282). Under the Governor's recommendation, this position would move to an ESG 7 (an annual salary range of $94,277 to $146,131).

[Bill Sections: 805 and 809]

13. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

	Funding	Positions
FED	- $228,200	- 1.00
PR	228,200	1.00
Total	$0	0.00

Governor: Delete $114,100 FED and 1.0 FED position and provide $114,100 and 1.0 PR position related to the conversion of classified staff to unclassified staff and converting 1.0 position from PR-funded to FED-funded. Convert a total of 3.0 classified positions to unclassified positions under DOA. This would include: (a) converting 1.0 classified position under the Division of Legal Services to unclassified; (b) converting 1.0 classified position under materials and services to state agencies appropriation to unclassified; and (c) deleting $114,100 FED and 1.0 FED classified position annually from federally funded indirect cost reimbursements appropriation and providing $61,400 and 0.5 unclassified position under the capital planning and building construction appropriation and $52,700 and 0.5 unclassified position under the materials and services to state agencies appropriation.

Under 2011 Wisconsin Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) will be moved from classified to unclassified service within the specified agencies. The revised unclassified positions were renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions are at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of 2010 Wisconsin Act 10 in regards to the transfer of classified positions to unclassified positions.

14. DELETE DEPUTY ADMINISTRATOR -- ENTERPRISE OPERATIONS

	Funding	Positions
PR	- $161,600	- 1.00

Governor: Delete $80,800 and 1.0 classified position annually for a deputy administrator in DOA's Division of Enterprise Operations.

15. DELETE DEPUTY ADMINISTRATOR -- ADMINISTRATIVE SERVICES

	Funding	Positions
PR	- $236,400	- 1.00

Governor: Delete $118,200 and 1.0 classified position annually for a deputy administrator in DOA's Division of Administrative Services.

16. APPOINTMENT OF FEDERAL RELATIONS OFFICERS

Governor: Delete the requirement that the Joint Committee on Legislative Organization concur with the Governor on the appointment of an unclassified director and staff assistant for staffing a federal-state relations office in Washington, DC.

[Bill Section: 229]

17. DELETE STATE EMPLOYEE CHILD CARE CENTER SUBSIDY

Governor: Delete the requirement that DOA contract with one or more child care providers to supplement the cost of providing suitable space for child care services offered to the children of state employees who are assigned to work in the central portion of Madison.

Delete the authority of DOA to: (a) in concurrence with the Building Commission, lease space or provide space in any state-owned or state-leased building to be used for a child care provider; or (b) contribute to the space costs incurred by a child care provider serving state employees in central Madison.

Delete the requirement that DOA assess the costs of providing child care facilities for agencies who have employees that are located in central Madison. Delete DOA's authority to assess these agencies on an equitable basis for their share of a subsidy and deposit the revenues into the Department's facilities operations appropriation. Delete language under the appropriation that allows for the expenditure of supplements for child care facilities in central Madison. Delete authority under program supplements for space management that allow supplements to state agency child care facility costs.

Currently, DOA contacts with a child care provider near the Capitol in Madison. In 2010-11 DOA will assess agencies $293,800 for this subsidy.

Under current law, the child care center that receives this subsidy may provide services to individuals other than state employees as long as state employees are given first opportunity for this service. This requirement would be deleted under the bill.

Delete the requirement that DOA may not authorize construction work for any state office facility in Madison unless DOA first provides suitable space for child care primarily for the use of children of state employees.

Delete the current law requirement that the Office of State Employment Relations Director provide a biennial report to the Building Commission regarding the desirability of child care facility space in the plans for construction or major remodeling projects enumerated in the state building program in the biennial budget act. Delete the specific authority of the Building Commission to direct the inclusion of a child care facility based on such a recommendation.

Specify that these provisions would become effective on September 1, 2011.

[Bill Sections: 39, 43, 264, 267, 727, 776 thru 778, and 9401(1)]

18. LOW-INCOME WEATHERIZATION AND HEATING ASSISTANCE PROGRAMS

Governor: Allow DOA to transfer up to $10 million from the public benefits fund-supported low-income weatherization program to the low-income heating assistance program in 2011-12 and 2012-13.

This provision would continue a provision that allows the same transfer in the 2009-11 biennium.

[Bill Section: 326]

19. DELETE OFFICE OF ENERGY INDEPENDENCE

	Funding	Positions
FED	- $324,400	- 2.00

Governor: Delete the Office of Energy Independence (OEI) and its related duties. Under current law, the Office is headed by an Executive Director and staff sufficient to carry out its statutory duties. Delete $162,200 and 2.0 positions annually related to OEI.

Under current law, OEI is attached to DOA and must work on, and facilitate the implementation of, initiatives that have the following goals: (a) advance Wisconsin's vision for energy independence by generating 25% of Wisconsin power and 25% of Wisconsin transportation fuels from renewable resources by 2025; (b) capture 10% of the emerging bio-industry and renewable energy market by 2030; and (c) become a national leader in groundbreaking research that will make alternative energies more affordable and create new, good-paying jobs in Wisconsin, developing biorefineries, and advancing the sale and use of motor vehicle gasoline and biofuel blends of greater than contain at least 10% of the biofuel. These duties would be deleted under the bill.

The Office must also do the following under current law: (a) ensure and facilitate the implementation of Wisconsin's energy independence initiatives; (b) serve as a single-point of contact to assist businesses, local units of government and nongovernmental organizations that are pursuing bio-development, energy efficiency and energy independence; (c) identify barriers to implementation of the Wisconsin's energy independence initiatives; (d) develop energy independence policy options for consideration by the Governor and state agencies; (e) identify federal funding opportunities and facilitate applications for funding by both state/local government and private entities; (f) perform duties necessary to maintain federal designation and federal funding; and (g) in cooperation with the Department of Agriculture, Trade and Consumer Protection (DATCP), pursue the establishment and maintenance of sufficient alternative fuel refueling facilities at public retail outlets to meet the publics traveling needs. Executive branch agencies are required to provide assistance to OEI to the fullest extent possible. All of these duties and requirements would be deleted.

Under current law, the Office must coordinate the preparation of a biennial strategic bioenergy feedstock assessment for assisting producers and users of bioenergy feedstocks and state and local government policy makers to understand trends in the production and use of bioenergy feedstocks in this state and the effects of that production and use. Each assessment must do all of the following, using readily available information: (a) summarize the bioenergy feedstocks currently and projected to be produced in the state, by region; (b) identify the current and projected significant markets of bioenergy feedstocks produced in the state and outside the state; (c) identify key factors that influence the supply of and demand for major bioenergy feedstocks in the state, including the types and amounts of land devoted to producing these feedstocks; (d) assess whether any of the factors identified under par. (c) are likely to change during the period covered by the assessment and, if so, how those changes may affect the availability of future bioenergy feedstocks; (e) assess the impacts of the increased use in the state of biomass for energy production on other consumers of that biomass, land use, environmental quality, and other benefits and services derived from the natural systems in which the biomass is produced; and (f) recommend, as appropriate, legislation or changes in programs or rules of affected agencies, including whether the assessment should be continued. This assessment is currently due by April 30, 2013, and no later than April 30, of each odd-numbered year thereafter. The statutory requirements would be deleted under the bill.

Under current law, DATCP must make annual renewable fuel recommendations. DATCP must determine whether annual sales goals for renewable fuels have been met in Wisconsin. The Office must currently provide assistance in determining whether the goals have been accomplished. DATCP in consultation with OEI, must also determine whether adequate information is being provided in order to make a determination of renewable fuel sales and may request assistance from the Department of Commerce, the Department of Revenue or OEI to collect information, if it is more cost effective and less burdensome than other means of meeting the reporting requirements. The duties specifically related to OEI would be deleted under the bill.

[Bill Sections: 94, 193, 324, 325, 2298, 2309, 2314, and 2315]

20. STATE FUEL USE POLICIES

Governor: Specify that state alternative fuel use requirements would instead be policies.

Under current law, DOA must, when feasible, require agencies to store only gasohol or alternative fuel at state facilities that have refueling equipment for state-owned or state-leased vehicles. Under the bill, DOA could instead only encourage such storage and only if it was cost effective.

Currently, DOA must require state employees to utilize hybrid-electric vehicles or vehicles that operate on gasohol or alternative fuels when using state-owned or state-leased vehicles whenever such utilization is feasible. Under the bill, DOA would be required to encourage the use of such vehicles and fuel, when cost-effective.

Under current law, DOA must require agencies to collectively reduce the use of petroleum based gas and diesel in state-owned vehicles, when compared to 2006 levels, by the following amounts: (a) 20% by 2010 for gasoline; (b) 50% by 2015 for gasoline; (c) 10% by 2010 for diesel; and (d) 25% by 2015 for diesel. The bill would instead require DOA to encourage, when cost effective the following reductions, compared to 2006 levels: (a) 20% by 2015 for gasoline; and (b) 10% by 2015 for diesel. Higher reduction targets are eliminated under the bill.

Under current law, DOA must encourage the distribution of gasohol and alternative fuels and usage of hybrid-electric vehicles or vehicles that operate on gasohol or alternative fuels by individuals that use vehicles on state business and by residents of the state in general. This requirement would be modified under the bill to specify that these activities would be done "whenever feasible and cost-effective."

Delete a requirement that DOA report to the appropriate standing committees concerning the distribution of gasohol and alternative fuels and usage of hybrid electric, gasohol, and alternative fuel vehicles by April 30 of each year.

Under current law, the Office of Energy Independence must adopt, and revise when necessary, a plan to facilitate the states use of alternative fuels in the flex fuel vehicles owned by the state. The plan must ensure that state employees can identify when they are using a flex fuel vehicle, that they are aware of refueling sites that have alternative fuels available, and that state employees strive to refuel with alternative fuels. The bill deletes these provisions.

[Bill Sections: 191 and 193 thru 202]

21. STATE ENERGY POLICY MODIFICATION

Governor: Require DOA to "develop and implement a cost-effective, balanced, reliable, and environmentally responsible energy strategy to promote economic growth."

Under current law, the Department must implement and promote various state planning regarding energy use. Specifically, through long-range planning, DOA must promote the development and the maximum wise use of energy and natural and human resources in the state.

The bill would expand this duty.

[Bill Section: 323]

22. DEPARTMENT OF DEFENSE EXCESS PROPERTY PROGRAM

PR	$256,600

Governor: Provide $128,300 annually to a new PR annual federal resource acquisition appropriation to carry out federal resource acquisition activities. This funding could be utilized by DOA to provide grants to any organization with which DOA contracts to operate federal resource acquisition activities. Modify the Department of Justice's (DOJ) Division of Administrative Services gifts, grants and proceeds appropriation to provide that funding must annually be transferred from the DOJ appropriation to the new DOA federal resource acquisition appropriation. The required transfer would equal the amounts provided for in the DOA federal resource acquisition appropriation.

Under current law, DOJ utilizes its Division of Administrative Services gifts, grants and proceeds appropriation to receive and allocate legal settlement funds that are distributed at the discretion of the Attorney General. The Executive Budget Book indicates that the intent of this recommendation would be transfer "discretionary legal settlement funds" to the new DOA federal resource acquisition appropriation.

The Executive Budget Book further indicates that the provision is intended to provide sufficient funding to eliminate the need for law enforcement agencies to pay a $500 annual fee to participate in the Section 1033 program. Section 1033 of the National Defense Authorization Act of 1997 permits the federal Department of Defense to transfer excess military property to law enforcement agencies. Eligible law enforcement agencies are government agencies whose primary duty is the enforcement of federal, state, and local laws, and whose compensated full-time law enforcement officers have arrest and apprehension powers. Excess property acquired by law enforcement agencies under the program can be used for counter-drug and other law enforcement activities except for the operation of a jail. The Wisconsin Technical College System Foundation operates the Wisconsin Section 1033 program through an agreement with DOA's Office of Justice Assistance.

[Bill Sections: 336, 694, and 721]

23. YOUTH DIVERSION PENALTY SURCHARGE APPROPRIATION REDUCTIONS -- OFFICE OF JUSTICE ASSISTANCE (OJA)

PR	- $190,200

Governor: Reduce expenditure authority under the following agency appropriations by $95,100 annually (10% annually after any standard budget adjustments).

Appropriation	Annual Reduction
Youth Diversion Grants	-$74,700
Law Enforcement and Youth Diversion Administrative Funding	-20,400
Total	-$95,100

Youth Diversion Grant Program Under Current Law. Under current law, OJA is required to utilize $1,200,000 annually ($380,000 GPR and $820,000 PR in penalty surcharge funding) to enter into contracts with organizations in specified counties or localities for the diversion of youths from gang activities into productive activities, including placement in appropriate educational, recreational, and employment programs. Current law also requires OJA to utilize $300,000 PR annually to enter into a contract with an organization in Milwaukee County for alcohol and other drug abuse education and treatment services for participants in that organization's youth diversion program. [This latter funding comes from the Department of Health Services from federal funds that it administers.] The statutes specifically direct OJA to enter into the following contracts for the following amounts: (a) $800,000 to an organization in Milwaukee County; (b) $150,000 to an organization in Racine County; (c) $150,000 to an organization in Kenosha County; (d) $150,000 to an organization located in Ward 2 in the City of Racine; (e) $150,000 to an organization in Brown County; and (f) $100,000 to an unspecified organization (which OJA has awarded to the City of Racine).

Youth Diversion -- Bill Provisions. Reduce the statutorily directed funding to youth diversion programs as follows: (a) -$104,300 annually to an organization in Milwaukee County; (b) -$25,650 annually to an organization in Racine County; (c) -$25,650 annually to an organization in Kenosha County; (d) -$25,650 annually to an organization located in Ward 2 in the City of Racine; (e) -$25,650 annually to an organization in Brown County; and (f) -$18,100 annually to an unspecified organization (which OJA has awarded to the City of Racine). These annual reductions of $225,000 reflect: (a) that base funding for the youth diversion grants PR penalty surcharge appropriation was reduced by $72,900 annually in prior budgets compared to the funding needed to fully fund the statutory grant amounts; (b) additional reductions of $74,700 PR annually based on penalty surcharge revenue estimates; (c) that base funding for youth diversion grants from the Department of Health Services was reduced by $18,400 PR annually in prior budgets compared to the funding needed to fully fund the statutory grant amounts; (d) that base funding for the youth diversion grants GPR appropriation was reduced by $23,300 annually in prior budgets compared to the funding needed to fully fund the statutory grant amounts; and (e) a 10% annual reduction of $35,700 GPR to the GPR-funded youth diversion appropriation.

Law Enforcement and Youth Diversion Administrative Funding. Reduce funding to the appropriation by $20,400 annually, or 10% annually after standard budget adjustments.

Modifications to Appropriations. Require that all unencumbered balances at the end of each fiscal year in all penalty surcharge supported appropriations revert to the penalty surcharge receipts appropriation under the Department of Justice. [See "Justice."]

[Bill Sections: 732, 735, and 9101(1)]

24. GRANT FOR WISCONSIN CASA ASSOCIATION -- OFFICE OF JUSTICE ASSISTANCE (OJA)

Governor: Delete the directive in statute that OJA provide a grant of $150,000 FED annually to the Wisconsin CASA (court-appointed special advocates) Association for the support, assistance, and development of court-appointed special advocate programs. The grant has been funded with federal funding received under the Byrne Justice Assistance Grant Program. In abuse and neglect cases, a court-appointed special advocate may provide information to the court regarding the best interests of a child.

[Bill Section: 327]

25. DELETE MATERIALS AND SERVICES POSITION

	Funding	Positions
PR	- $150,800	- 0.65

Governor: Delete $75,400 PR and 0.65 PR position annually under the materials and services to state agencies appropriation. All deleted funding would occur under permanent salaries. No corresponding reduction occurred under fringe benefits.

Procurement

1. CONTRACTUAL SERVICES REVIEWS AND COST-BENEFIT ANALYSIS

Governor: Delete the current law requirement that DOA must promulgate rules for contractual services procurement, including prescribing approval and monitoring processes for contractual service contracts. Delete the current requirement for agencies to conduct a uniform cost-benefit analysis of proposed contractual services purchases and renewals involving an estimated expenditure greater than $25,000, in accordance to the rules promulgated by DOA. Delete the requirement that DOA include in these rules a requirement to periodically review the appropriateness of continuing the contractual service. Delete a requirement for state officers requesting permission to use vendors for contractual services to submit to DOA written justification for such contracting which currently includes: (a) a description of the contractual services to be procured; (b) justification of need; (c) justification for not contracting with other agencies; (d) a specific description of the scope of contractual services to be performed; and (e) justification for the procurement process if a process other than competitive bidding is to be used. Delete the requirement that DOA could not approve contractual services unless it was satisfied that the justification for contracting conforms to the DOA promulgated rules.

Delete the current law requirement that the Office of State Employment Relations (OSER), under conditions of the DOA contractual services rules, must review the following: (a) that agencies are properly utilizing state employees; (b) that agencies are evaluating the feasibility of using limited-term appointments prior to entering into contracts; and (c) that agencies are not violating collective bargaining agreements.

Delete the current law requirement that DOA must provide a report by October 15, of each year to the Governor, the Joint Committee on Finance, the Joint Audit Committee, and the Chief Clerk of each house of the Legislature, concerning the number, value, and nature of contractual service procurements authorized for each agency during the previous year. Currently, the report must include the following regarding purchases in the previous year: (a) a summary of the cost benefit analyses completed by agencies in the preceding year; and (b) recommendations for elimination of unneeded contractual service procurements and for consolidation or resolicitation of existing contractual service procurements.

Delete the current requirement that DOA document the success of the Division of Legal Services in reducing the state's use of contracted employees.

Under current law, a cost-benefit analysis is defined as a comprehensive study to identify and compare the total cost, quality, technical expertise, and timeliness of service performed by state employees versus through contractual services.

Specify that these provisions would apply to contracts entered into on the effective date of the bill.

Cost benefit analysis requirements for the Department of Transportation to conduct a cost-benefit analysis for engineering services would be continued under the bill.

[Bill Sections: 188, 233, 237 thru 239, 258, 2200, and 9301(2)]

2. PROCUREMENT BID AND PROPOSAL REQUIREMENTS

Governor: Specify a threshold of $50,000 for lowest responsible bids, sealed bids and sealed proposals.

Under current law, DOA, with some exceptions, must award contracts and orders to the lowest responsible bidder for materials, supplies, equipment, and contractual services provided to state agencies. In general, bids must be invited when the cost of the order or contract is estimated to exceed $25,000. Bids may be invited through sealed bids or through a bidding auction. If the estimated cost is less than $25,000, DOA may award a contract or order under a simplified procedure established by the Department. Under the bill, the threshold would be increased to $50,000.

Under current law, if the expected cost of a procurement exceeds $25,000 and the DOA Secretary determines that a competitive sealed bid is not practicable or advantageous to the state, the Secretary may invite competitively sealed proposals. The sealed bid proposals must state the relative importance of price and other evaluation factors. Under the bill, the threshold for invited competitive sealed proposals would be increased to $50,000.

Under current law, if the DOA Secretary determines it is in the best interest of the state, he or she may waive the bid or proposal processes in favor of purchasing supplies, materials, equipment, or contractual services through: (a) another governmental unit; (b) a consortium of regional or notation nonprofit institutions that support governmental or educational services; or (c) a private contractor (with approval of the Governor). The Governor may issue a general waiver for the bidding and bid proposal processes for up to one year. Printing and stationary are not subject to these waivers. If the DOA Secretary determines it is in the best interest of the state, he or she may waive procurement requirements for Department of Children and Families contracts for administering Wisconsin Works (W-2) in a particular geographic region. Currently, all these waivers apply to contracts or orders of more than $25,000. Under the bill these waivers would apply to contracts or orders of more than $50,000.

Specify that these provisions would apply to bids or proposals solicited on the effective date of the bill.

[Bill Sections: 246 thru 249, 259, and 9301(1)]

3. STANDARDS FOR ENERGY CONSUMING PRODUCTS

Governor: Specify that current law requirements for the purchase of energy efficient equipment would not apply to purchases of less than $5,000 per unit. Under current law, energy consuming equipment is defined as any equipment that is designed for heating, ventilation, air conditioning, water heating or cooling, lighting, refrigeration, or any other function, and that consumes energy.

Currently, DOA must establish and annually review rules on energy efficiency standards for heating, ventilating, air conditioning, water heating or cooling, lighting, refrigerating, and other energy consuming equipment that is installed as a component of a construction project. Purchasing agents may not purchase energy consuming equipment unless the specifications for the equipment meet the applicable standards for the equipment established under the following: (a) the federal Environmental Protection Agency; (b) the federal energy conservation policy; and (c) the American Society of Heating, Refrigerating and Air-conditioning Engineers. This provision is subject to a determination by a purchasing agent that there is an applicable standard and that the equipment is reasonably available. If there is no applicable standard or the equipment that meets these standards is not reasonably available, then DOA and other purchasing agents must ensure that the equipment purchased maximizes energy efficiency to the extent technically and economically feasible. In determining the reasonableness of equipment the lifetime cost of operating the equipment must be considered. Currently, there is no minimum cost threshold.

[Bill Section: 260]

4. PROCUREMENT VIOLATIONS LIST

Governor: Require DOA to maintain a list of persons that are, or have been, party to a violation of a contractual services agreement with the state. The parties on the list would be ineligible for state contracts and no state contract could be awarded to a party on this list. Allow

DOA to remove names from the list if the agency determines that the party's practices comply with the contractual services statutory provisions and adequate safeguards against future violations have been instituted. The treatment of this provision would take effect on the effective date of the bill.

[Bill Sections: 240 and 9301(3)]

5. PRISON INDUSTRY SUPPLIES

Governor: Delete the current law requirement that DOA, and its designated purchasing agents, must write specifications for materials, supplies, commodities, equipment, and contractual services, as to allow, to the extent possible, that those products may be supplied by Prison Industries. Specify that purchasing agents must offer Prison Industries with an opportunity to provide products if the price is "equal to or lower than" the same product offered through competitive bids or sealed proposals.

Under current law the Department of Corrections must periodically provide DOA with a current list of all materials, supplies, equipment and contractual services, excluding commodities (products), that are supplied by Prison Industries. The Department of Administration must distribute this list to state purchasing agents. Before a purchasing agent purchases a product that is available through Prison Industries from another vendor (through bids or sealed proposals), the purchasing agent must offer Prison Industries with the opportunity to provide that product at a price "comparable" to one that could be obtained through competitive bids or sealed proposals.

Under current law, Prison Industries must meet the specifications designated for the product. With some exceptions (in information technology areas) and to the extent possible, purchasing agents must write specifications for the purchase of products that would permit Prison Industries to supply those products.

[Bill Sections: 242, 256, and 261]

Transfers

1. TRANSFER COLLEGE SAVINGS PROGRAMS TO DOA

	Funding	Positions
SEG	$1,363,400	1.00

Governor: Provide $681,700 and 1.0 positions annually related to transferring the administration of various college savings plans (EdVest, Tomorrow's Scholar, and the College Tuition and Expenses program) from the Office of the State Treasurer to DOA.

Under the bill, various appropriations, currently in the Office of the State Treasurer, would be transferred to DOA's supervision and management functions program.

Specify that the assets, liabilities and tangible property of the Office of the State Treasurer related to the college savings programs and the College Tuition and Expenses program, as determined by the DOA Secretary, would become assets, liabilities and tangible property of DOA on the effective date of the bill.

Specify that all pending matters of the college savings programs and the College Tuition and Expenses program, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill.

All contracts entered into by the Office of the State Treasurer, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contacts unless modified or rescinded by DOA, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by, and orders issued by, the Office of the State Treasurer relating to the college savings programs and the College Tuition and Expenses program, as determined by the DOA Secretary, would remain in effect until their expiration date or until amended or repealed by DOA.

On the effective date of the bill, 1.0 SEG position from the Office of the State Treasurer would be transferred to DOA. Specify that the DOA Secretary would identify the position to transfer; the bill, however, indicates that the incumbent employee would be transferred. The transferred person would retain their earned rights and status under the state employment relations laws. Any person transferred would not have to go through a probationary period, if he or she has already obtained permanent status. [See "State Treasurer" for more information.]

[Bill Sections: 74 thru 77, 207, 208, 758 thru 766, 868, 904 thru 907, 1756 thru 1760, 3491, 3492, and 9149(1)]

2. TRANSFER LOCAL GOVERNMENT INVESTMENT POOL

	Funding	Positions
PR	$362,600	1.00

Governor: Provide $181,300 and 1.0 position annually related to the transfer of the local government pooled-investment fund from the Office of the State Treasurer to the Department of Administration. [See "State Treasurer" for more information.]

[Bill Sections: 755, 896, 898 thru 903, and 9149(2)]

3. TRANSFER OF STATE TREASURER MANAGEMENT FUNCTIONS TO DOA

Governor: Transfer the assets, liabilities, and tangible property (including records) of the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, to DOA.

Specify that all pending matters of the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill. Materials submitted to or actions taken by the Office of the State Treasurer that are primarily related to management services would be considered to or taken by DOA.

All contracts entered into by the Office of the State Treasurer that are primarily related to management services, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contacts unless modified or rescinded by DOA, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would remain in effect until the expiration date of the rule or until amended or repealed by DOA. All orders issued by the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would remain in effect until the end of their effective date or until modified or rescinded by DOA.

[Bill Section: 9149(3)]

4. TRANSFER OF SECRETARY OF STATE ADMINISTRATIVE FUNCTIONS TO DOA

Governor: Transfer the assets, liabilities, and tangible property (including records) of the Office of the Secretary of State that are primarily related to administrative services, as determined by the DOA Secretary, to DOA.

Specify that all pending matters of the Secretary of State related to administrative services, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill. Materials submitted to, or actions taken by, the Secretary of State related to administrative services would be considered to or taken by DOA.

All contracts entered into by the Secretary of State related to administrative services, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contacts unless modified or rescinded by DOA, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by the Secretary of State related to administrative services, as determined by the DOA Secretary, would remain in effect until the expiration date of the rule or until amended or repealed by DOA. All orders issued by the Secretary of State related to administrative services, as determined by the DOA Secretary, would remain in effect until the end of their effective date or until modified or rescinded by DOA.

[Bill Section: 9142(2)]

5. AMERICAN INDIAN ECONOMIC DEVELOPMENT

PR	$159,000

Governor: Provide $79,500 annually from tribal gaming revenues to DOA's materials and services to state agencies appropriation for unspecified purposes.

Under the bill, various Department of Commerce appropriations would be deleted, including the one for providing technical assistance for American Indian economic development and a corresponding $79,500 annually.

Under current law this appropriation allows for the payment of tribal assistance grants from moneys provided from tribal gaming revenues. Unencumbered balances in the appropriation at the end of each fiscal year revert to the tribal gaming general operations appropriation and are deposited into the general fund. Currently, technical assistance may be provided for tribal enterprises and Indian businesses for the following: (a) management assistance to existing businesses; (b) start-up assistance to new businesses, including the development of business and marketing plans and assistance in securing development financing; and (c) technical assistance to new and existing businesses in gaining access to tribal, state and federal business assistance and financing programs. Under the bill, this grant would be repealed. Funding would be transferred to DOA, but no purpose for the funding is identified.

[Bill Sections: 421, 744, and 3442]

6. TRANSFER RURAL HOSPITAL LOAN GUARANTEE RULE MAKING

Governor: Specify that DOA, rather than the Department of Commerce, would be responsible for promulgating rules related to rural hospital loan guarantees.

Under current law, the Wisconsin Health and Educational Facilities Authority is allowed to guarantee loans to rural hospitals. The Authority must enter into a guarantee agreement with any person who: (a) makes loans that will be used to finance the acquisition, construction, remodeling, or conversion of space at a rural hospital; and (b) wishes to have those loans guaranteed. The Authority may use money from the rural hospital loan fund to guarantee loans, if the Authority sets out the terms and conditions of the guarantee in a guarantee agreement. With the advice of the Rural Health Development Council, the Department of Commerce must promulgate rules specifying all of the following with respect to a rural hospital loan guarantee agreement: (a) the form of the agreement; (b) any conditions upon which the Authority may refuse to enter into such an agreement; (c) the procedure for making a demand for payment under the guarantee agreement, or for payment by the Authority under the guarantee agreement, in the event of a default of a guaranteed loan; (d) criteria for determining whether the guarantee is a guarantee of collection or payment; and (e) any procedures that the Authority may impose to carry out the agreement. These agreements must comply with rules promulgated by the Department of Commerce. Under the bill, DOA would be responsible for promulgating these rules.

Specify that the rules promulgated by the Department of Commerce, related to rural hospital loan guarantees, that are in effect on the effective date of the bill, would remain in effect until the expiration date or until amended or repealed by DOA.

Specify that, on the effective date of the bill, the tangible personal property, including records, of the Department of Commerce primarily related to rural hospital loan guarantees, as determined by the DOA Secretary, would be transferred to DOA.

[Bill Sections: 2785 thru 2787 and 9110(8)]

7. HUMAN RESOURCES PERSONNEL TRANSFER -- STATE FAIR PARK

	Funding	Positions
PR	- $140,100	- 1.00

Governor: Delete $140,100 and 1.0 position in 2012-13 related to the transfer of human resources functions related to the State Fair Park from centralized DOA services to the State Fair Park, effective July 1, 2012. Reductions include: (a) $49,700 for salaries; (b) $13,400 for limited-term employees; (c) $26,200 for fringe benefits; and (d) $50,800 for supplies and services.

8. HUMAN RESOURCES PERSONNEL TRANSFER -- REGULATION AND LICENSING

	Funding	Positions
PR	- $122,200	- 1.00

Governor: Delete $61,100 and 1.0 position annually related to the transfer of human resources functions in the Department of Regulation and Licensing (Department of Safety and Professional Services under the bill) from centralized DOA services to the Department. Reductions include: (a) $44,900 for salaries; and (b) $16,200 for supplies and services. [No funds were deleted from fringe benefits.]

Justice Information System Surcharge

1. JUSTICE INFORMATION SYSTEM SURCHARGE OVERVIEW

Governor: Delete the current law allocation mechanism for justice information system surcharge revenue, which provides that for every assessed $21.50 justice information system surcharge, revenue will be allocated as follows: (a) $7.50 to the Department of Administration (DOA) for justice information systems; (b) $6 to the court system for the circuit court automation program (CCAP); (c) $4 for grants for indigent civil legal services; (d) $1.50 to DOA's Office of Justice Assistance (OJA) for the treatment, alternatives, and diversion grant program; (e) $1.50 to OJA to fund the gathering and analyzing of statistics on the justice system, including racial disparity, uniform crime reporting, and incident-based reporting (this funding may also be transferred to OJA appropriations for traffic stop data collection implementation); and (f) $1 to the general fund.

Instead, under the bill, all justice information system surcharge revenue would be deposited to a new PR continuing justice information fee receipts appropriation under DOA. This new appropriation would subsequently allocate surcharge revenue to 11 specified appropriations, based on the amounts specified for these appropriations. This new appropriation would also set aside $700,000. [Department of Administration staff indicates that the intent would be to transfer $700,000 annually from justice information system surcharge revenue to the general fund. As GPR-Earned for DOA under the budget bill assumes $715,000 annually in justice information system surcharge revenues would be deposited to the general fund, a technical correction will be needed to reconcile the bill language with the GPR-Earned estimate for DOA.]

The following table identifies how justice information system surcharge revenues are allocated to various programs under current law, and how the new justice information fee receipts appropriation would allocate surcharge receipts under the bill. The bill would delete current law justice information system surcharge funding for the following programs: (a) $4 from each assessed surcharge for grants for indigent civil legal services; and (b) $1.50 from each assessed surcharge to OJA to fund the gathering and analyzing of statistics on the justice system, including racial disparity, uniform crime reporting, and incident-based reporting (this funding may also be transferred to OJA appropriations for traffic stop data collection implementation). Instead, the bill would, for the first time, provide justice information system surcharge funding for the following programs: (a) law enforcement officer supplement grants under OJA; (b) a statewide public safety interoperable communication system under OJA; (c) child advocacy center grant funding under OJA; (d) salaries and fringe benefits funding for assistant district attorneys; (e) victim notification services by the Department of Corrections; and (f) court interpreters for the circuit courts.

Program	Surcharge Revenue* 2010-11	Expenditure Authority 2011-12	2012-13
Transfer to general fund	$691,000	$700,000	$700,000
Justice information systems (DOA)	5,225,000	4,428,300	4,428,300
CCAP Automated information systems (Supreme Court)	4,177,400	3,780,000	3,780,000
Law enforcement officer supplement grants (OJA)	N/A	1,224,900	1,224,900
Interoperable communications systems (OJA)'	N/A	1,062,200	421,700
Assistant district attorneys (DAs)	N/A	1,000,000	1,000,000
Treatment, alternatives and diversion program (OJA)	1,047,200	744,500	744,500
Victim notification (Corrections)	N/A	511,900	692,600
Child advocacy centers (OJA)	N/A	238,100	238,100
Court interpreters (Circuit Courts)	N/A	134,000	232,700
Indigent civil legal services (DOA)	2,785,200	N/A	N/A
Data gathering and analysis (OJA)**	1,047,200	N/A	N/A
Traffic stop data collection; state (OJA)	0	0	0
Traffic stop data collection; local (OJA)	0	0	0
Total	$14,973,000	$13,823,900	$13,462,800

* Allocation of justice information system surcharge revenue based on statutory language and annualized receipts through December, 2010.

** Revenue allocated for data gathering and analysis could also be transferred and utilized for traffic stop data collection expenses.

Under current law, the justice information system surcharge is generally assessed with a court fee for the commencement or filing of certain court proceedings, including civil, small claims, forfeiture, wage earner, or garnishment actions, an appeal from municipal court, third party complaint in a civil action, or for filing a counterclaim or cross complaint in a small claims action.

[Bill Sections: 206, 328, 329, 331, 335, 625, 697, 717 thru 719, 728, 729, 731, 734, 736 thru 738, 768 thru 770, 3476, 3477, and 9113(1)]

2. CIVIL LEGAL SERVICES FOR THE INDIGENT

PR	- $5,092,200

Governor: Delete the PR annual indigent civil legal services appropriation and its associated base expenditure authority of $2,546,100 annually. Under current law, this appropriation is allocated $4 from every assessed justice information system surcharge of $21.50.

In addition, delete current law statutory language which governs the administration of this grant program. Under current law, DOA must annually pay the amounts appropriated under the PR annual indigent civil legal services appropriation to the Wisconsin Trust Account Foundation, Inc. The Wisconsin Trust Account Foundation, Inc., must distribute the amount received as grants to programs that provide civil legal services to indigent persons, and those programs may use the grant funds to match other federal and private grants. The grants may only be used for the purposes for which the funding was provided. [The Wisconsin Trust Account Foundation, Inc., was created in 1986 by the Wisconsin Supreme Court to receive funding from the interest on lawyers' trust accounts and to provide grants to agencies providing civil legal services to indigent persons.]

[Bill Sections: 206 and 719]

3. LAW ENFORCEMENT OFFICER SUPPLEMENT GRANTS

GPR	- $2,722,000
PR	2,722,000
Total	$0

Governor: Delete the GPR annual law enforcement officer supplement grants appropriation and its base funding of $1,361,000 GPR annually. Instead, create a PR annual law enforcement officer supplement grants appropriation funded from justice information system surcharge revenues, and provide $1,361,000 PR annually in expenditure authority to this appropriation.

The new PR annual law enforcement officer supplement grants appropriation is also subject to a $136,100 PR annual budget reduction associated with a 10% reduction to supplies and other non-personnel costs. As a result, the law enforcement officer supplement grants program would have net available funding of $1,224,900 PR annually for grants to eligible cities.

The law enforcement officer supplement grants program provides grants to cities to employ additional uniformed law enforcement officers whose primary duty is beat patrolling. A city is eligible to apply for a grant under the program if it has a population of at least 25,000. The Office of Justice Assistance must make grant awards to the 10 eligible cities submitting applications that have the highest rates of violent crime index offenses in the most recent full calendar year for which data is available from the Federal Bureau of Investigation's uniform crime reporting system. The Office may not award an annual grant in excess of $150,000 to any one city.

2010-11 Law Enforcement Officer Supplement Grants

Grantee	Award	Local Match	Project Description
Beloit	$134,927	$44,976	Beloit funds a portion of three beat patrol officers.
Fond du Lac	134,927	44,976	Fond du Lac police department funds two street crimes officers.
Green Bay	134,927	44,976	Green Bay maintains five officers to perform beat patrol duties.
Kenosha	134,927	44,976	Kenosha funds are used to support four beat patrol officer positions.
La Crosse	134,927	44,976	La Crosse police department funds one and a half beat patrol officers.
Madison	140,793	46,931	Madison Police Department funds salary and fringe benefits of four officers.
Milwaukee	140,793	46,931	City of Milwaukee funds a portion of salary and fringe benefits of six officers assigned to beat patrol duties.
Racine	134,927	44,976	City of Racine Police Department funds two beat patrol officers.
Wausau	134,926	44,975	Wausau Police Department supports portions of the salary and fringe benefits of four officers.
West Allis	134,926	44,975	West Allis funds a portion of the salary and fringe benefits of two officers assigned to daily patrol duties.
Total:	$1,361,000	$453,668	

[Bill Sections: 328 and 728]

4. TRAFFIC STOP DATA COLLECTION INITIATIVE

	Funding	Positions
PR	- $1,528,200	- 3.74

Governor: Delete $764,100 and 3.74 positions annually provided to OJA's traffic stop data collection; state PR appropriation. As a result, no funding or positions would remain in OJA to implement the traffic stop data collection initiative.

Under current law, $1.50 from every assessed justice information system surcharge of $21.50 is allocated to the OJA data gathering and analysis PR appropriation. The language of this appropriation authorizes surcharge revenue received by this appropriation to be allocated to the OJA traffic stop data collection; state PR appropriation.

Delete the current law allocation mechanism for justice information system surcharge revenue, which provides that $1.50 from every assessed $21.50 justice information system surcharge be deposited to OJA's data gathering and analysis PR appropriation. Delete the current OJA data gathering and analysis appropriation. Instead, create a PR continuing justice information fee receipts appropriation to allocate justice information system surcharge receipts to OJA traffic stop data collection state and local appropriations. Under the bill, neither of these appropriations would be provided expenditure authority. [Note that none of the programmatic aspects of the traffic stop data collection initiative are affected by the bill. However, 2011 Senate Bill 15 would delete the program. As of this writing, SB 15 passed the Senate but has not been taken up by the Assembly.]

[Bill Sections: 717 and 736 thru 738]

5. STATEWIDE INTEROPERABLE COMMUNICATION SYSTEM

	Funding	Positions
FED	$0	- 0.35
PR	1,483,900	1.35
Total	$1,483,900	1.00

Governor: Create a PR annual interoperable communications system appropriation to provide funding to operate a statewide public safety interoperable communication system. Funding to the appropriation would be provided from the justice information system surcharge. Provide $1,062,200 PR in 2011-12, and $421,700 PR in 2012-13, and 1.35 PR positions annually to this appropriation. Funding would include: (a) $193,500 in 2011-12, and $204,400 in 2012-13, in salary and fringe benefit funding; and (b) $868,700 in 2011-12, and $217,300 in 2012-13 in supplies and services funding.

Delete a 0.20 FED grant specialist and a 0.15 FED community services technician annually under OJA's federal aid; homeland security appropriation. This FED position authority would instead be supported by PR funding from the justice information system surcharge under the interoperable communications system appropriation.

In addition to the new justice information systems surcharge funded appropriation, create an additional PR annual public safety interoperable communication system; general usage fees appropriation to provide funding to operate a statewide public safety interoperable communication system. Authorize OJA to charge a person that is not a state agency a fee for the use of the public safety interoperable communication system. Any such fees would be credited to this appropriation. [Current law already permits OJA to charge state agencies that are public safety agencies a fee for the use of the statewide public safety interoperable communication system. These fees are deposited to an existing PR annual appropriation.]

[Bill Sections: 332, 333, 730, 733, and 734]

6. DISTRICT ATTORNEY INFORMATION TECHNOLOGY

PR	$616,400

Governor: Under current law, $21.50 is generally assessed with a court fee for the commencement or filing of certain court proceedings, including civil, small claims, forfeiture, wage earner, or garnishment actions, an appeal from municipal court, third party complaint in a civil action, or for filing a counterclaim or cross complaint in a small claims action. Of this amount, $7.50 is deposited into the justice information system and used for district attorney information technology (DAIT).

The bill would delete the $7.50 earmark and provide an additional $308,200 annually for DAIT for unspecified purposes. Total funding under the modified appropriation would be $4,800,000 annually with 16.2 positions, prior to other budget reductions.

[Bill Sections: 35, 718, and 722]

7. CHILD ADVOCACY CENTERS

GPR	- $529,800
PR	529,200
Total	- $600

Governor: Delete the GPR annual child advocacy centers appropriation and its base funding of $264,900 GPR annually. Instead, create a PR annual child advocacy centers appropriation funded from the justice information system surcharge, and provide $264,600 PR annually in expenditure authority to this appropriation.

The new PR annual child advocacy centers appropriation would be subject to a $26,500 PR annual budget reduction associated with a 10% reduction to supplies and other non-personnel costs. As a result, the child advocacy center grant program would have net available funding of $238,100 PR annually for grants to child advocacy centers.

Amend current law to provide that OJA provide individual annual grants of $17,000 to 14 child advocacy centers located in specified counties for education, training, medical advice, and quality assurance activities. As a result, grants to the 14 child advocacy centers would total $238,000 annually.

Wisconsin statute currently directs OJA to provide 14 annual grants of $20,000 each, to child advocacy centers in specified counties for education, training, medical advice, and quality assurance activities. However, due to reduced funding available under the 2009-11 biennial budget, child advocacy centers received annual individual grants totaling $18,900. The following child advocacy centers are currently receiving funding under the program: (a) Brown County--Sexual Assault Center of Family Services of Northeast WI; (b) Chippewa County--

Chippewa Valley Child Advocacy Center; (c) Dane County--Safe Harbor Child Advocacy Center; (d) Green County--CHAT Room; (e) Kenosha County--Children's Hospital of Wisconsin; (f) La Crosse County--Family and Children's Center--Stepping Stones; (g) Marathon County--Child Advocacy Center of Northeastern WI; (h) Milwaukee County--Children's Service Society of Wisconsin-Milwaukee; (i) Racine County--Children's Service Society of Wisconsin-Racine; (j) Rock County--YWCA on behalf of Care House; (k) Walworth County--Children's Hospital of Wisconsin--Kenosha; (l) Waukesha County--Family Service of Waukesha on behalf of C.A.R.E. Center; (m) Winnebago County--Children's Hospital of Wisconsin--Fox Valley Child Advocacy Center; and (n) Wood County--Marshfield Child Advocacy Center.

[Bill Sections: 331 and 729]

8. TREATMENT, ALTERNATIVES, AND DIVERSION PROGRAM

PR	$220,000

Governor: Provide an additional $110,000 annually in justice information system surcharge funding to provide additional resources for the treatment, alternatives, and diversion (TAD) grant program. Unlike base funding which is provided as local assistance funding, the additional expenditure authority provided under the bill would be provided as supplies and services funding.

The TAD PR annual appropriation is also subject to a $70,500 annual budget reduction associated with a 10% reduction to supplies and other non-personnel costs. The reduction would be applied to supplies and services funding. As a result, the TAD program would see a net increase of $39,500 annually from $705,000 to $744,500.

Further, provide that any county receiving a grant under the TAD program on or after January 1, 2012, must provide matching funds equal to 25% of the amount of the grant. Department of Administration staff indicates that the intent is to reduce the state-funded grants to current county TAD programs by a corresponding 25% which would then permit OJA to make TAD grants to additional counties.

The provisions of 2005 Wisconsin Act 25 created the TAD grant program under OJA. The program is intended to provide grants to counties to establish and operate programs, including suspended and deferred prosecution programs and programs based on principles of restorative justice which provide alternatives to prosecution and incarceration for criminal offenders who abuse alcohol or other drugs.

[Bill Sections: 330 and 731]

Division of Gaming

1. TRIBAL GAMING APPROPRIATIONS AND GENERAL FUND REVENUE

GPR-Tribal	$52,583,000

Governor: Appropriate $26,952,300 in 2011-12 and $26,953,600 in 2012-13 in tribal gaming revenue paid to the state under the tribal gaming compacts. The appropriations include: (a) allocations totaling $24,975,800 in 2011-12 and $24,977,100 in 2012-13 to various state agencies for programs unrelated to tribal gaming regulation or law enforcement; and (b) appropriations for the regulation of tribal gaming in DOA [$1,825,100 annually], and tribal gaming law enforcement in the Department of Justice (DOJ) [$151,400 annually].

Tribal revenue paid to the state is based on provisions under the current state-tribal gaming compacts. Under the compacts, tribes are scheduled to make payments to the state based on a percentage of net revenue (gross revenue minus winnings). The percentages used to calculate state payments vary by tribe and, in some cases, may vary by year for the same tribe.

Under current law, Indian gaming receipts are credited to: (a) the DOJ Indian gaming law enforcement appropriation; (b) the DOA general program operations appropriation relating to Indian gaming regulation; and (c) a DOA appropriation for Indian gaming receipts in the amount necessary to make all the transfers specified under the appropriation to other state programs. Indian gaming receipts not otherwise credited to, or expended from, these appropriation accounts are deposited in the general fund.

Under the bill, tribal payments to the state for gaming in the 2011-13 biennium are projected to total $53,500,800 in 2011-12 and $54,660,800 in 2011-12. The general fund condition statement included in the bill shows tribal gaming general fund revenue totaling $25,700,700 in 2011-12 and $26,882,300 in 2012-13, and the biennial total of these amounts ($52,583,000) is shown above. The calculation for the general fund tribal revenue under the bill is summarized in the following table:

2011-13 Tribal Gaming General Fund Revenue

		2011-12	2012-13
1	Estimated Tribal Payments	$53,500,800	$54,660,800
2	Miscellaneous Revenue	130,000	130,000
3	Total Revenue	$53,630,800	$54,790,800
4	Program Allocations to State Agencies	$26,952,300	$26,953,600
5	Program Reserves	41,500	18,600
6	Total Expenditures	$26,993,800	$26,972,200
7	Net Tribal Revenue	$26,637,000	$27,818,600
8	Net Revenue Adjustment*	-$936,300	-$936,300
9	Tribal Gaming General Fund Revenue	$25,700,700	$26,882,300

* The annual adjustment amounts (line 8) reflect the reductions to the tribal gaming allocation appropriations relating to increased employee contributions to pension and health insurance benefits and the elimination of long-term vacancies. Because the allocations to state agencies (line 4) already include these savings, the net tribal revenue amounts (line 7) also reflect the savings. However, DOA accounted for the savings as part of a statewide GPR-earned amount in its calculations for the budget bill. Therefore, the adjustment amount was subtracted here so as not to double count the savings associated with these decision items.

Under the bill, the Governor recommends the appropriation of tribal gaming revenue to 16 state agencies, in 44 program areas, including the DOA regulation and DOJ enforcement appropriations. Each of these program areas is listed and briefly described in the following table. Where there is a net fiscal change associated with any of these appropriations (other than standard budget adjustments), it is included under the budget summaries of the affected agency.

Of these 44 program areas, 41 appropriation accounts are authorized under current law. Two new appropriations from tribal gaming revenue reflect current law allocations that are being transferred under the bill. First, an allocation under current law to the Arts Board for state aid for American Indian arts would be provided under the bill to the Department of Tourism to reflect the elimination of the Arts Board and the transfer of certain of its functions to Tourism. Second, an allocation to the UW System under current law for physician and health care provider loan assistance would be provided to UW-Madison under the bill to reflect the separation of UW-Madison from the UW System.

The current law allocations of tribal gaming funding to the Department of Commerce (totaling $1,271,900 in 2010-11) for certain technical assistance relating to economic development and marketing functions, and economic development and diversification grants and loans to benefit Native Americans would be deleted under the bill to reflect the elimination of the Department. The bill would allocate $79,500 annually for tribal governmental services and technical assistance to an existing appropriation in DOA for materials and services to state agencies and certain districts.

One program area identified in the table [Item # 30] is not appropriated funding in the 2011-13 biennium, but is an existing appropriation account under current law that can only be funded with tribal gaming revenue.

2011-13 Tribal Gaming Revenue Appropriations
Governor

	Agency	Program Revenue 2011-12	2012-13	
1	Administration	$563,200	$563,200	County management assistance grant program.
2	Administration	247,500	247,500	UW-Green Bay and Oneida Tribe programs.
3	Administration	50,000	50,000	American Indian tribal community reintegration program.
4.	Administration	79,500	79,500	Tribal governmental services and technical assistance.
5	Children and Families	395,000	395,000	Indian child high-cost out-of-home care placements.
6	Corrections	75,000	75,000	Indian juvenile out-of-home care placements.
7	Health Services	445,500	445,500	Elderly nutrition; home-delivered and congregate meals.
8	Health Services	106,900	106,900	American Indian health projects.
9	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
10	Health Services	445,500	445,500	Indian substance abuse prevention education.
11	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally qualified health centers (FQHC).
12	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
13	Health Services	133,600	133,600	Minority health program and public information campaign grants.
14	Health Services	22,500	22,500	American Indian Diabetes and Control
15	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
16	Higher Education Aids Board	454,200	454,200	Wisconsin Higher Education Grant (WHEG) program for tribal college students.
17	Historical Society	239,700	239,700	Northern Great Lakes Center operations funding.
18	Historical Society	199,100	199,100	Collection preservation storage facility.

	Agency	Program Revenue 2011-12	2012-13	
19	Justice	$631,200	$631,200	County-tribal law enforcement programs: local assistance.
20	Justice	92,600	92,600	County-tribal law enforcement programs: state operations.
21	Justice	490,000	490,000	County law enforcement grant program.
22	Justice	695,000	695,000	Tribal law enforcement grant program.
23	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
24	Natural Resources	92,100	92,100	Management of an elk reintroduction program.
25	Natural Resources	167,600	167,600	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
26	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
27	Natural Resources	1,197,900	1,197,900	State snowmobile enforcement program, safety training and fatality reporting.
28	Natural Resources	62,300	62,300	Reintroduction of whooping cranes.
29	Public Instruction	222,800	222,800	Tribal language revitalization grants.
30	Shared Revenue	0	0	Farmland tax relief credit payments by tribes with casinos associated with certain pari-mutuel racetracks. (No allocations are made in the 2011-13 biennium.)
31	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
32	Tourism	9,397,900	9,397,900	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
33	Tourism	30,100	30,100	Law enforcement services at the Kickapoo Valley Reserve.
34	Tourism	24,900	24,900	State aid for the arts.
35	Transportation	247,500	247,500	Elderly transportation grants.
36	University of Wisconsin System	263,400	264,700	Ashland full-scale aquaculture demonstration facility debt service payments.
37	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
38	University of Wisconsin-Madison	488,700	488,700	Physician and health care provider loan assistance.

	Agency	Program Revenue 2011-12	2012-13	
39	Veterans Affairs	$61,200	$61,200	Grants to assist American Indians in obtaining federal and state veterans benefits.
40	Veterans Affairs	86,300	86,300	American Indian services veterans benefits coordinator position.
41	Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
42	Workforce Development	314,900	314,900	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
	Subtotal (Non-Regulatory Items)	$24,975,800	$24,977,100	
43	Administration	$1,825,100	$1,825,100	General program operations for Indian gaming regulation under the compacts.
44	Justice	151,400	151,400	Investigative services for Indian gaming law enforcement.
	Subtotal (Regulation/ Enforcement)	$1,976,500	$1,976,500	
	Total Appropriations	$26,952,300	$26,953,600	

[Bill Section: 371]

2. MODIFY DIVISION OF GAMING FUNDING AND STAFF

	Funding	Positions
PR	- $2,864,200	- 10.85

Governor: Delete a total of $1,432,100 and 10.85 positions annually to reflect the elimination of funding and positions for racing regulation and making minor provisions for other areas of gaming regulation, as follows.

Delete $1,507,500 and 11.50 positions annually budgeted for the regulation of pari-mutuel wagering and racing in Wisconsin. The Division of Gaming has statutory authority to regulate pari-mutuel wagering and racing; however, the last of the state's dog racetracks closed December 31, 2009. These reductions, as well as a standard budget adjustment, fully delete base funding and positions for this purpose.

In addition, provide $75,400 and 0.65 positions annually, as follows: (a) $34,300 and a 0.25 unclassified position for Indian gaming regulation; (b) $8,200 and a 0.1 classified position for bingo regulation; and (c) $32,900 and a 0.15 classified position and a 0.15 unclassified position for raffle regulation.

Finally, the bill would convert a 0.4 classified position for racing regulation to a 0.4 unclassified position. The administration indicates that this was done in error and will require a technical modification to correct.

3. DELETE OUTDATED TRIBAL GAMING ALLOCATION PROVISION

Governor: Delete a provision that specified transfers to be made from tribal gaming revenue to the environmental fund in 2001-02 and 2002-03.

[Bill Sections: 747 and 886]

AGRICULTURE, TRADE AND CONSUMER PROTECTION

	Budget Summary					FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$27,311,200	$26,186,800	$27,977,100	- $458,500	- 0.8%	205.50	206.50	209.50	4.00	1.9%
FED	21,240,700	21,403,300	21,462,800	384,700	0.9	88.47	86.12	89.12	0.65	0.7
PR	22,323,500	23,401,800	23,419,700	2,174,500	4.9	206.58	202.37	202.37	- 4.21	- 2.0
SEG	30,791,500	32,636,600	33,067,300	4,120,900	6.7	98.77	96.40	96.40	- 2.37	- 2.4
TOTAL	$101,666,900	$103,628,500	$105,926,900	$6,221,600	3.1%	599.32	591.39	597.39	- 1.93	- 0.3%
BR		- $5,000,000								

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$4,012,400	0.00
FED	- 4,019,400	- 4.00
PR	2,493,200	- 2.00
SEG	2,292,900	0.00
Total	$4,779,100	- 6.00

Governor: Provide adjustments to the agency base budget for: (a) reductions due to turnover [-$230,600 GPR and -$72,300 PR annually]; (b) removal of non-continuing items [-$79,800 FED in 2011-12 and -$279,100 FED in 2012-13 with -4.0 positions, and -$32,000 PR in 2011-12 and -$127,300 PR in 2012-13 with -2.0 positions]; (c) full funding of salary and fringe benefits for continuing positions [$2,206,200 GPR annually, -$1,864,700 FED annually, $1,275,000 PR annually, and $1,086,800 SEG annually]; (d) reclassifications and semiautomatic pay progressions [$3,700 GPR annually, $16,600 FED in 2011-12 and $25,500 FED in 2012-13, $78,500 PR in 2011-12 and $120,600 PR in 2012-13, and $43,000 SEG in 2011-12 and $46,300 SEG in 2012-13]; (e) full funding of lease costs and other directed moves [$26,900 GPR annually, $13,400 FED annually, $24,000 PR annually, and $15,000 SEG annually]; and (f) minor transfers within appropriations [within the PR appropriation for computer system staffing and equipment, transfer $236,900 annually from the unallotted reserve to supplies and services].

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $1,881,800
FED	- 627,600
PR	- 1,505,600
SEG	- 881,800
Total	- $4,896,800

Governor: Delete $2,448,400 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The annual reductions would include $940,900 GPR, $313,800 FED, $752,800 PR, and $440,900 SEG. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance costs reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
FED	- $29,200	- 0.35
PR	- 402,000	- 3.11
SEG	- 148,600	- 1.47
Total	- $579,800	- 4.93

Governor: Delete $289,900 (all funds) and 4.93 positions annually to reflect the elimination of long-term vacant positions under the bill. The annual reductions would include $14,600 FED and 0.35 FED positions, $201,000 PR and 3.11 PR positions, and $74,300 SEG and 1.47 SEG positions. Funding and position reductions are associated with positions that have been vacant for 12 months or more. Position eliminations and annual funding reductions are shown below by appropriation.

Fund	Appropriation	Funding	Positions
FED	Reimbursement of indirect costs of grant administration	$14,600	0.35
PR	Public warehouse regulation	4,900	0.11
PR	Dog regulation, licensing, and rabies control	64,900	1.00
PR	General laboratory services	66,300	1.00
PR	Agricultural education and workforce development council, gifts and grants	64,900	1.00
SEG	Agricultural producer security program administration	74,300	1.47
	Totals	$289,900	4.93

4. BUDGET REDUCTIONS

GPR	- $1,816,200
PR	- 1,395,800
Total	- $3,212,000

Governor: Reduce funding by $1,606,000 annually associated with a 10% reduction to supplies and other non-personnel costs. Reductions would include $908,100 GPR and $697,900 PR each year. Annual reductions by appropriation would be as follows:

Fund	Appropriation	Base	Reduction
	Food safety and consumer protection		
GPR	Food safety operations	$3,406,100	$67,900
GPR	Meat and poultry inspection	3,283,600	55,500
GPR	Trade regulation and consumer protection	1,505,500	24,100
PR	Grain inspection and certification	1,376,200	18,800
PR	Consumer protection, information and education	164,200	16,400
PR	Telecommunications utility trade practices	415,800	8,000
PR	Ozone-depleting products regulation	480,600	9,200
PR	Food regulation	5,082,600	135,800
PR	Meat and poultry inspection	371,500	18,200
PR	Food- and trade-related services	47,400	4,700
PR	Sale of supplies	28,200	2,800
PR	Weights and measures inspection	1,269,600	46,600
PR	Dairy trade regulation	154,900	1,900
PR	Public warehouse regulation	134,900	2,700
	Subtotal		$412,600
	Animal health		
GPR	General operations	$2,565,600	34,300
GPR	Paratuberculosis testing assistance	234,700	23,500
PR	Dog regulation, licensing, and rabies control	608,100	14,500
PR	Animal health testing, inspection and enforcement	563,500	16,000
	Subtotal		$88,300
	Agricultural development services		
GPR	General operations	$2,164,500	$69,800
PR	Marketing orders and agreements	92,100	2,900
PR	Something Special from Wisconsin	32,700	3,300
PR	Agricultural development services and materials	160,300	12,900
PR	Stray voltage - rural electric cooperatives	21,800	600
	Subtotal		$89,500
	Agricultural assistance		
GPR	Aids to county and district fairs	$396,000	$39,600
GPR	Agricultural diversification and development grants	356,700	35,700
GPR	Aids to World Dairy Expo, Inc.	22,300	2,200
GPR	Dane County Exposition Center grants	203,000	20,300
	Subtotal		$97,800
	Agricultural resonrce management		
GPR	Plant industry services	$745,800	$12,900
GPR	Soil and water resource management; county staffing	4,270,100	427,000
GPR	Farmland preservation planning grants	415,800	41,600
PR	Nursery regulation; plant pest control	316,200	12,200
PR	Seed testing and labeling	89,800	4,600
PR	Related services; phytosanitary certificates	262,600	8,900
PR	Fertilizer research assessments	150,700	15,100
PR	Agricultural impact statements	266,400	5,300
PR	Liming material research funds	23,400	2,300
	Subtotal		$529,900
	Central administrative services		
GPR	Secretary's Office; management services	$5,352,900	$44,000
GPR	Agricultural statistics	287,600	9,700
PR	Computer system equipment, staff and services	2,018,700	139,200
PR	No-call list administration	790,700	32,200
PR	Sale of material and supplies	10,700	1,100
PR	Internal laboratory service charges	2,791,200	99,000
PR	General laboratory-related services to public	78,800	3,300
PR	Related services; statistical publications and surveys	93,900	8,300
PR	Central services; meat inspection federal reporting	798,200	51,100
	Subtotal		$387,900
	Total		$1,606,000

5. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 3.0 GPR classified positions and provide 3.0 GPR unclassified positions under DATCP's general operations appropriation for central administrative services.

Under 2011 Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. The act also redefines "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) would be moved from classified to unclassified service within specified agencies. The revised unclassified positions would be renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions would be at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill would effectuate the intent of Act 10 in regards to the transfer of classified positions to unclassified positions as recommended by the Governor.

6. WORKING LANDS INITIATIVE – ELIMINATE PURCHASE OF AGRICULTURAL CONSERVATION EASEMENTS PROGRAM

BR	- $12,000,000

Governor: Delete statutory authorization for the purchase of agricultural conservation easements (PACE) program. Repeal general obligation bonding authority of $12 million for the PACE program. Further, repeal the following appropriations: (a) a GPR sum-sufficient appropriation for debt service on PACE bonding authority; (b) a working lands SEG annual appropriation for debt service on PACE bonding authority; (c) a PR continuing appropriation for gifts and grants received by DATCP for purchases of agricultural conservation easements; and (d) an annual appropriation from the segregated working lands fund for the purchase of agricultural conservation easements. (These appropriations do not have any expenditure authority in the 2009-11 biennium.) Amend an annual working lands fund SEG appropriation for administration of working lands programs to delete references to administration of the PACE program. Amend the statutory authorization for the working lands fund to delete reference to penalties or other proceeds from for the sale, modification or termination of an agricultural conservation easement.

The PACE program was authorized under 2009 Act 28 and grants DATCP the authority to enter into voluntary, perpetual easements with owners of agricultural land to preserve the land for future agricultural production. Easements generally prohibit the land from being made unavailable or unsuitable for agricultural use. Such programs are active in other states and certain Wisconsin municipalities, and are also commonly known as the purchase (or transfer) of development rights. DATCP conducted one application period in 2010, under which 16 proposed easements were preliminarily approved and allowed to proceed with appraisals and negotiations. The 2011 application period closed February 15.

Under current law, DATCP may pay up to 50% of the fair market value of an easement, as determined by appraisal, with remaining amounts paid by cooperating entities. Cooperating entities may include: (a) counties, towns, villages or cities; or (b) nonprofit conservation organizations such as land trusts, which are organized for the purpose of acquiring and managing conservation easements. DATCP has also coordinated eight of the applications preliminarily approved in 2010 with the U.S. Department of Agriculture (USDA) under the Farm and Ranch Lands Protection Program, which is a federal program that provides funding for the purchase of agricultural conservation easements. In addition to paying a portion of fair market value, DATCP is authorized to pay reasonable transaction costs associated with an easement purchase. These levels have been established at 80% of eligible costs, up to $12,000. DATCP has administered the program since 2009 under the advice of a PACE Council, which is authorized under the statutes and appointed by the DATCP Secretary. DATCP officials report the negotiations for PACE purchases preliminarily approved in 2010 have been mostly suspended pending passage of the budget bill, and no binding contracts will be signed in the interim. The Department is also postponing selection of any new projects from the 2011 application period.

[Bill Sections: 377 thru 381, 383, 779, 797, 889, 2307, and 2679]

7. WORKING LANDS INITIATIVE – REPEAL FEE FOR REZONING FROM FARMLAND PRESERVATION ZONING DISTRICTS

SEG-REV	- $2,250,000

Governor: Repeal the conversion fee on persons requesting lands to be rezoned from farmland preservation zoning districts to other designations. Further, repeal requirements that political subdivisions submit to DATCP by each March 1: (a) a conversion fee for acreage rezoned from farmland preservation zoning districts in that jurisdiction in the previous calendar year; and (b) reports stating the total conversion fees collected by the local government for the previous year's conversions. Also, repeal provisions specifying for which purposes a political subdivision can use conversion fee revenues if a political subdivision has collected an amount greater than that remitted to DATCP.

The Working Lands Initiative enacted in 2009 Act 28 revised requirements for the farmland preservation program and tax credits, including changing the tax credit from a formula based on property-tax liability and income to a credit for acreage located in a farmland preservation zoning district or under a farmland preservation agreement. Credit eligibility is contingent on DATCP certification of the farmland preservation zoning ordinance. To qualify for certification, an ordinance must limit land uses in farmland preservation zoning districts to agricultural, agriculture-related, accessory, open space or other limited conditional uses. This is in addition to other requirements. A landowner also must comply with state standards for soil and water conservation to be eligible for farmland preservation tax credits.

Generally, the statutes allow lands in farmland preservation zoning districts to be rezoned if the party requesting the rezoning pays a conversion fee to the zoning authority for the acreage to be rezoned. The conversion fee is generally three times the highest-value category of tillable cropland in the city, village or town in which the rezoned land is located. This is typically referred to as the Grade 1 use value, and is established annually by the Department of Revenue.

For 2011 assessments, the statewide average for Grade 1 cropland is $227 per acre, with values ranging from $156 to $350. However, many areas under farmland preservation zoning occur in areas with higher use values and, as a result, DATCP has estimated conversion fees may average about $810 per acre ($270 x 3). The conversion fee is not applied if: (a) the rezoning occurs under an ordinance recertification that is approved by DATCP, provided the ordinance remains consistent with the county's farmland preservation plan [farmland preservation zoning plans and ordinances generally must be reviewed and recertified at least every 10 years]; (b) the acreage is no longer designated for agricultural preservation under the certified county farmland preservation plan prior to the rezoning; or (c) certain circumstances where the land is annexed by another municipality that zones the land for non-agricultural purposes.

Under current law, conversion fees are submitted to DATCP by March 1, along with reports of total acreage converted and total fees collected by the zoning authorities. Local governments may establish higher conversion fees individually, but any fees in excess of the tripled Grade 1 use value must be used by the local government for administration or enforcement of its farmland preservation program. Funds received by DATCP are deposited to the segregated working lands fund, and are intended to be used for DATCP administration of farmland preservation programs, including local grants for farmland preservation planning, and the purchase of agricultural conservation easements (PACE) program. DATCP reports it has received $569,900 in conversion fees for approximately 750 acres following the March 1, 2011, deadline. Approximately one-third of municipalities with certified farmland preservation zoning ordinances had responded prior to or shortly after the March 1, 2011, deadline. The Department reports it will contact remaining municipalities to ensure compliance with requirements for reporting and fee remission.

Although conversion fees are expected to vary from year to year, DATCP reported conversions prior to 2009 ranged between 6,000 and 12,000 acres annually statewide. The Department has estimated conversions from certified farmland preservation zoning districts in the near term may be 2,000 to 4,000 acres per year, due to slower economic activity, with revenues of between $1.4 million and $3.2 million. Although farmland preservation rezonings would continue to be charged the conversion fee until enactment of the budget, it is unclear what would happen with the revenue collected by local governments. The revenue loss to the segregated working lands fund under the bill could be estimated at a minimum of $750,000 in 2011-12 and $1.5 million in 2012-13.

Current law also requires a local government to hold a public hearing for proposed rezonings from farmland preservation zoning districts. The statutes require a zoning authority to make the following findings for a rezoning: (a) that the land is better suited for a use not allowed in the farmland preservation zoning district; (b) that the rezoning is consistent with any applicable comprehensive plan and substantially consistent with a county farmland preservation plan; and (c) the rezoning will not substantially impair current or future agricultural uses of surrounding parcels that are zoned for or legally restricted to agricultural use. These requirements would not be affected by the bill. The bill also would not affect conversion fees applied to early terminations of farmland preservation agreements, provided the agreements were entered into after July 1, 2009.

[Bill Sections: 889 and 2279 thru 2287]

8. MEAT SAFETY INSPECTIONS

	Funding	Positions
GPR	$768,000	3.00
FED	1,042,500	5.00
Total	$1,810,500	8.00

Governor: Provide the following for the meat inspection program: (a) $254,700 GPR in 2011-12 and $513,300 GPR in 2012-13, with 3.0 positions beginning in 2012-13; and (b) $396,300 FED with 2.0 positions in 2011-12 and $646,200 FED in 2012-13 with 5.0 positions.

The increases noted above for meat inspection would be the net effect of increased meat safety inspectors and funding to the Department budget. The bill would partially offset increases in GPR expenditure and position authority for the meat inspection program with reductions in other appropriations. The administration reports these changes are intended to mitigate the effect of increases in GPR expenditures for the meat inspection program. As a result, there would be no net increases in GPR positions in 2011-12 under the bill. The table below shows the appropriations affected by the bill.

Bill Changes Related to Meat Inspection

		2011-12		2012-13	
Appropriation	Source	Funding	Positions	Funding	Positions
Meat and poultry inspection	GPR	$387,600	2.00	$646,200	5.00
Meat safety inspection	FED	396,300	2.00	646,200	5.00
Agricultural development operations	GPR	-68,000	-1.00	-68,000	-1.00
Central administrative operations	GPR	-64,900	-1.00	-64,900	-1.00
	Total	$651,000	2.00	$1,159,500	8.00

DATCP's meat safety program conducts inspection of animal and poultry slaughtering and processing in establishments not otherwise inspected by the USDA Food Safety and Inspection Service (FSIS). State-inspected facilities are typically smaller operations that do not slaughter and process on a daily basis and have sales limited to in-state purchasers. Federally inspected facilities generally slaughter and process daily and ship products outside the state for sale. DATCP currently licenses 285 state-inspected establishments, as well as 56 custom-exempt establishments. (Custom-exempt establishments process meat as a customer service, do not engage in resale, and are generally not subject to inspection.) The state-funded portion of the inspection program is supported by GPR, including a $200 annual license fee charged to official slaughtering and processing establishments that is deposited to the general fund. USDA also provides matching FED. For 2010-11, the meat inspection program is budgeted the following: (a) $3,224,300 GPR with 43.12 positions; (b) $4,240,100 FED with 43.37 positions; and (c) $47,400 PR. These totals exclude $375,300 PR with 3.5 positions and $245,300 FED with 3.5 positions that were authorized under 2009 Act 28.

2009 Act 28 requires DATCP to create, by administrative rule, certain fees to fund inspections at slaughter and processing plants. DATCP officials indicate that fee-generated program revenues are not likely to be eligible for matching federal funds. For this reason, DATCP reports it has no plans to create the fee authorized in Act 28 or seek matching federal funding. However, the bill does not affect this rule requirement or the associated funding and positions.

DATCP reports the additional positions are required to meet federal requirements that state inspection programs enforce standards that are "at least equal to" federal food-safety standards. This includes having inspections of all slaughtering activities, including ante- and post-mortem inspections of animals, and all processing activities. A February, 2011, FSIS audit of DATCP's program activities in fiscal year 2010 noted that while Wisconsin's meat and poultry inspection program was generally "at least equal to" federal requirements, the Department had to adapt management procedures to the satisfaction of FSIS to demonstrate it consistently met all inspection requirements for slaughtering establishments.

9. LABORATORY EQUIPMENT AND SERVICE CHARGES

PR	$966,000
SEG	1,641,500
Total	$2,607,500

Governor: Provide $302,200 PR and $768,300 SEG in 2011-12 and $343,800 PR and $873,200 SEG in 2012-13 for increased costs associated with laboratory services in the food safety and agricultural chemical programs. Further, provide $150,000 PR in 2011-12 and $170,000 PR in 2012-13 for laboratory equipment purchases.

The DATCP Bureau of Laboratory Services analyzes samples gathered during inspections and regulatory actions under the food safety and agrichemical management programs. DATCP's food safety program is responsible for enforcing state sanitary and food purity standards affecting: (a) food processors, warehouses, and retail food establishments; and (b) milk producers, processors and haulers, including enforcement of the Grade A pasteurized milk ordinance. It is funded primarily by annual license fees and monthly procurement fees assessed on dairy processors for milk purchases. The agrichemical management program regulates activities involving animal feed, pesticides, fertilizers, and other agricultural chemicals. This includes monitoring groundwater that may be vulnerable to contamination by the use of agricultural chemicals. The program is supported by the segregated agrichemical management (ACM) fund, which receives various license, product registration, and tonnage fees assessed against agrichemical production and sales. Laboratory services for these programs may provide both evidence in cases of suspected law violations and indications of broader risks to public health and welfare. The Bureau of Laboratory Services charges the food safety and agrichemical management programs for its services. These charges are reflected as expenditures to the food safety and agrichemical management programs and as revenues to the laboratory.

In August, 2013, the laboratory is expected to move into a new facility on Madison's southeast side. This new facility was authorized in the state's 2009-11 building program, and construction is expected to begin in July, 2011. The increased food safety and agrichemical management expenditures would increase the laboratory cash balances in anticipation of potential future cost increases for equipment and building rent. These costs were not known as of March, 2011, but are expected to be higher than current levels. Administration officials indicate any charges under this provision that would exceed actual amounts needed in 2011-13 would likely be offset in the 2013-15 biennium with lower charges assessed to the food safety and agrichemical management programs.

10. REPEAL BUY LOCAL, BUY WISCONSIN PROGRAM

GPR	- $445,400

Governor: Repeal the Buy Local, Buy Wisconsin program, and repeal a biennial GPR appropriation for grants under the program. Under current law, DATCP is required to conduct a program to: (a) increase awareness of locally produced foods; and (b) increase the production and distributional capacity of foods for consumption in proximity to where the food is produced. Grants under the program are for: (a) the creation, promotion and support of regional food systems and agricultural tourism trails; and (b) the development of regional food systems, including creating or expanding facilities for production, processing and transport of locally produced food, or strengthening networks of producers and consumers of locally produced food. DATCP is appropriated $222,700 each year for Buy Local, Buy Wisconsin grants. DATCP administrative rules require a recipient match of at least 33% of the grant total, which is equal to at least 25% of total project costs. Grants also may not exceed $50,000. Contracts awarding grants generally are limited to two years, although administrative rules allow an extension to a third year upon request.

[Bill Sections: 375, 2302, and 2306]

11. DAIRY 2020 AND DAIRY MANUFACTURING FACILITY INVESTMENT TAX CREDIT

	Funding	Positions
GPR	$129,800	1.00

Governor: Transfer from the Department of Commerce (Commerce) to DATCP administration of the following programs: (a) Dairy 2020, which assists dairy operations with accessing funding for expansions and modernization; and (b) certification of prospective claimants of the dairy manufacturing facility investment tax credit. Provide $64,900 GPR annually with 1.0 economic development consultant position in DATCP's agricultural development operations appropriation for administration of the programs. Require all records and tangible personal property related to certification of prospective tax credit claimants to be transferred from Commerce to DATCP. Specify all Commerce administrative rules in effect for administration of the tax credit remain in effect until any designated expiration date, or until the rules are modified or repealed by DATCP.

Currently, the Dairy 2020 Initiative attempts to focus resources available under several Commerce programs toward economic development in the state dairy industry. These programs include: (1) the early planning grant [EPG] program, under which businesses may receive grants up to $15,000 [limited to $3,000 per Commerce policy] to hire an independent, in-state, for-profit third-party to create a business plan related to start-up, modernization or expansion; and (2) the milk volume production [MVP] program, which provides for low-interest loans to dairy farmers to help them secure other financing for capital improvements. Dairy 2020 is guided by an advisory Dairy 2020 Council, consisting of 26 gubernatorial appointees including dairy farmers, industry representatives, state legislators and officials and representatives of educational institutions.

Also, DATCP currently administers parts of the Dairy Business Initiative (DBI), which was previously known as the Value-Added Dairy Initiative (VADI). DBI/VADI has been supported by federal funding and in-kind efforts of DATCP, Commerce, the University of Wisconsin Center for Dairy Profitability, the UW–Extension, the Wisconsin Technical Colleges, and dairy industry trade groups. DBI/VADI is broadly intended to help the state dairy industry modernize and expand operations, as well as develop supply and distribution chains to economically increase product offerings and market presence of Wisconsin dairy products. Dairy 2020 has generally constituted the Commerce contributions to DBI/VADI operations.

The bill would not transfer to DATCP any statutory authorities or state appropriations for the Dairy 2020 financial assistance program. Commerce and the Department of Administration (DOA) indicate that although Dairy 2020 coordinates dairy industry access to various programs, the programs themselves operate independently. The bill would repeal statutory authorities and state appropriations for these rural economic development programs. [See entries under "Commerce" for additional information.] The transferred position, however, would likely continue facilitating access to various assistance programs for dairy farms and processors.

The dairy manufacturing facility investment tax credit provides credits of 10% of investments made to modernize or expand a dairy manufacturing facility. The maximum aggregate credit, which may be claimed by members or shareholders of a partnership, limited-liability company, tax-option corporation, or dairy cooperative, is $200,000. The $200,000 limit is applied to each manufacturing facility held by the entity. (A provision in the bill would apply the $200,000 per-facility limit solely to dairy cooperatives; other entities would only be allowed to allocate to their members or shareholders up to $200,000 in aggregate credits for all facilities.) Total credits each fiscal year are $1.4 million, with not more than $700,000 available to dairy cooperatives and not more than $700,000 available to other non-cooperative entities.

Under the bill, DATCP would be responsible for certifying the eligibility of persons seeking the tax credit and determining the amount of credits to be allocated to an entity. The bill would require DATCP to provide the Department of Revenue with information on those entities certified and the credits allocated. DATCP would have rule-making authority for administration of the program. [See the entry under "General Fund Taxes -- Income and Franchise Taxes" for additional information.]

[Bill Sections: 1822 thru 1825, 1827, 1959 thru 1962, 1964, 2071 thru 2074, 2076, 3369, and 9110(7)]

12. FEDERAL REVENUE REESTIMATES

FED	$4,018,400

Governor: Provide $2,009,200 each year to reflect expected changes in revenues and expenditures for federal revenue appropriations. Affected appropriations are listed below. Agencies may expend all federal funds received under these appropriations, including amounts exceeding those in the state appropriations schedule, subject to approval by DOA. Expenditure authority appearing in the schedule for these appropriations therefore represents the best estimates of actual expenditures.

Appropriation	Funding
Food safety inspection	$313,600
Animal health	960,000
Dairy Business Initiative/Specialty Crop Block Grants	43,400
Agricultural development/farm mediation	90,000
U.S. Dept. of Agriculture - Emerald ash borer management	393,000
Federal grant administrative costs	169,000
Food emergency response	40,200
Total	$2,009,200

13. PROGRAM REVENUE REESTIMATES

PR	$1,611,600

Governor: Provide $805,800 each year to reflect expected changes in revenues and expenditures for program revenue appropriations. Affected appropriations are listed below. All appropriations shown below are continuing appropriations, which allows DATCP to expend all monies received under that appropriation, including amounts exceeding those in the state appropriations schedule, subject to approval by the Department of Administration (DOA). Expenditure authority appearing in the schedule for these appropriations represents the best estimates of actual expenditures.

Appropriation	Funding
Grain inspection	$96,400
Dog regulation, licensing, and rabies control	72,200
Nonpoint source and gypsy moth programs	53,900
Seed testing and labeling	2,100
Phytosanitary certificates	46,300
Agricultural impact statements	2,000
Telemarketer do-not-call administration	60,100
Services to other state agencies	4,500
Central administration - gifts and grants	233,100
Central administrative services	235,200
Total	$805,800

14. DEBT SERVICE REESTIMATE

GPR	$54,500
SEG	1,319,500
Total	$1,374,000

Governor: Delete $37,000 GPR in 2011-12 and provide $91,500 GPR in 2012-13, and provide nonpoint account SEG amounts of $498,500 in 2011-12 and $821,000 in 2012-13 for estimated debt service on general obligation bonds authorized for DATCP programs. GPR-supported debt is associated with the Wisconsin Veterinary Diagnostic Laboratory (WVDL) buildings and payments required from the state under the Conservation Reserve Enhancement Program (CREP). Nonpoint SEG debt service is for bonds issued to fund the installation of structural best management practices to limit sediment and nutrient runoff at agricultural sites under DATCP's soil and water resource management

(SWRM) program. Under the bill, estimated debt service in the 2011-13 biennium would be as follows: (a) for WVDL facilities, $3,100 GPR in 2011-12 and $13,000 GPR in 2012-13; (b) for CREP, $388,100 GPR in 2011-12 and $1,919,900 GPR in 2012-13; and (c) for SWRM, $3,061,800 SEG in 2011-12 and $3,384,300 SEG in 2012-13.

15. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $1,279,800

Governor: Decrease funding by $1,341,500 in 2011-12 and increase funding by $61,700 in 2012-13 to the reflect changes in estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. [See "Building Commission" for additional information regarding this provision.]

16. SOIL AND WATER RESOURCE MANAGEMENT BONDING

BR	$7,000,000

Governor: Provide $7 million in additional general obligation bonding authority for the soil and water resource management (SWRM) program. Bond proceeds would be used for structural best management practices at agricultural sites to limit water pollution that may occur from sediment and nutrient runoff, including animal waste.

DATCP's current SWRM bonding authority is $40,075,000. The authority has been increased by $7 million in each of the last two biennia. Debt service is supported by the nonpoint account of the segregated environmental fund and is estimated under the bill at $3.1 million in 2011-12 and $3.4 million in 2012-13.

[Bill Section: 796]

17. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES

PR	$192,100

Governor: Provide $95,700 in 2011-12 and $96,400 in 2012-13 for increased costs expected for information technology services. The DATCP appropriation for computer system equipment, staff and services supports departmental information technology services and receives charge-backs from other DATCP programs. The appropriation had revenues and expenditures of approximately $1.9 million in 2009-10. The bill would provide $1,944,900 in 2011-12 and $1,945,600 in 2012-13 for computer equipment, staff and services.

18. WEIGHTS AND MEASURES EQUIPMENT ACQUISITIONS

PR	$80,000

Governor: Provide $40,000 annually in permanent property for DATCP to enter into master leases for: (a) a prover trailer for inspections of liquefied petroleum (LP) gas meters; and

(b) a prover trailer for inspections of vehicle tank meters. A prover trailer is a 100-gallon test measure used by weights and measures inspectors to determine whether meters used in commerce accurately report amounts of substances delivered. The prover trailers would augment, and eventually replace, the Department's existing units. The Department reports the condition of the current trailers is deteriorating with age, and the frequency of repairs to the units may not be cost-effective. The term of the master lease is expected to be five years, after which time the Department would have full ownership of the units.

19. SOMETHING SPECIAL FROM WISCONSIN

PR	$48,400

Governor: Provide $19,800 in 2011-12 and $28,600 in 2012-13 for the Something Special for Wisconsin program. The increased authority is intended to reflect additional expenditures attributable to increasing participation expected in the 2011-13 biennium. Participation in Something Special from Wisconsin has increased from 256 participants in 2009 to 420 participants as of March, 2011. Participants in the Something Special from Wisconsin program pay annual fees for use of the program's trademark, and participants' fees are based on gross annual sales. Products featuring the program's trademark must have at least 50% of their value attributable to Wisconsin ingredients or production and processing activities. The program had revenues of $35,100 in 2009-10. The bill would authorize expenditures of $49,200 in 2011-12 and $58,000 in 2012-13.

20. TRANSFER REGULATORY AUTHORITIES FOR HOUSING-RELATED UNFAIR TRADE PRACTICES TO DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

Governor: Provide that beginning on the effective date of the bill, DATCP may not issue any order, promulgate any rule, or enforce any order or rule relating to the following subjects: (a) remodeling or otherwise improving residential or noncommercial property; (b) basement waterproofing; (c) real estate advertising; (d) renting of mobile-home sites and sales of mobile homes; and (e) renting of residential dwelling units and mobile homes. Specify that the Department of Safety and Professional Services (DSPS) may issue orders and promulgate rules on those subject matters beginning with the effective date of the bill. Further, specify that rules and orders in effect on the effective date of the bill remain in effect until their specified expiration, if any, or until DSPS modifies or repeals the rule or order.

Chapter 100 of the statutes prohibits unfair methods of competition in business and DATCP has general rule-making authority to enforce these prohibitions. The prohibition on unfair trade practices is often referred to by DATCP as the "Little FTC Act," due to its similarity to the Federal Trade Commission Act on which it is based. The Department has promulgated multiple administrative rules specifying prohibited conduct methods of competition, including practices related to: (a) home improvements [ATCP 110]; (b) basement waterproofing [ATCP 111]; (c) real estate advertising [ATCP 114]; (d) rentals in mobile home parks [ATCP 125]; and (e) residential rental (landlord/tenant) agreements [ATCP 134]. These rules would remain in effect under the bill, but administration of these rules would be the responsibility of DSPS. The administration reports this provision is intended to consolidate housing-related regulations in

DSPS, which the bill would create from the Department of Regulation and Licensing, certain Commerce environmental programs, and the Commerce Division of Safety and Buildings.

The bill would not affect DATCP administration of other rules specifying prohibited trade practices, including rules related to: (a) price discrimination; (b) price comparison advertising; (c) gasoline advertising; (d) chain distribution schemes and referral selling plans; (e) telecommunications and cable television services; (f) direct marketing; and (g) motor vehicle repair.

[Bill Section: 2311]

21. AGRICULTURAL DEVELOPMENT AND DIVERSIFICATION PROGRAM

Governor: Increase the maximum grant under the agricultural development and diversification (ADD) grant program from $50,000 to $100,000. Delete a provision requiring DATCP, in conjunction with Commerce, to research and plan means to promote and establish deer farms. Also, delete obsolete statutory provisions directing DATCP to make grants in support of commercial aquaculture development during the 1993-95 biennium.

Under current law, DATCP administers the ADD program, which is generally intended to increase production and marketing potential of Wisconsin agricultural products. Part of the ADD program includes grants for research, demonstration projects, and feasibility analyses that would develop new or alternative practices in production and processing of agricultural commodities. The statutes require ADD grants to serve one of the following purposes: (a) creation of jobs in the agricultural industry; (b) new capital investment and expansion in the agricultural industry; (c) agricultural product market development and expansion; (d) diversification and expansion of the production, processing and distribution of agricultural products, or forestry products that are used to produce alternative fuels, heat, or electricity; (e) commercial application of new technologies or practices related to agricultural products, or to the production of alternative fuels, heat, or electricity from forestry products; (f) increased use of surplus agricultural products; (g) improvement of the competitive position of this state's agricultural industry; or (h) efficient use of farmland and other agricultural resources. The ADD grant program has base funding of $356,700 GPR and would be appropriated $321,000 GPR each year of the 2011-13 biennium under the bill. Projects receiving grants may not last longer than three years. In addition to the $50,000 cap under current law, grants also may not exceed 75% of total project costs, therefore requiring a recipient match of at least 25%.

[Bill Sections: 2303 thru 2305]

22. POSITION REALIGNMENT

	Fuuding	Positions
PR	$86,600	0.90
SEG	- 102,600	- 0.90
Total	- $16,000	0.00

Governor: Provide the following adjustments to DATCP appropriations: (a) delete $51,300 SEG annually with 0.90 position from the agricultural producer security (APS) fund for administration of the producer security program; and (b) provide $43,300 PR annually with 0.90

position for fruit and vegetable inspection and grading. The provision would result in a net funding decrease of $8,000 each year; total authorized positions would not be changed by the provision.

The 0.9 SEG position would be deleted from APS administration and is currently vacant. The 0.9 PR position for fruit and vegetable inspection and grading would be allocated among nine 0.9 produce inspector positions to make each full-time. DATCP reports this would be commensurate with the current workload of each inspector.

DATCP reports the 0.9 APS position deleted by this item would also be deleted in the separate item eliminating long-term vacant positions.

ARTS BOARD

	Budget Summary						FTE Position Snmmary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled				Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11		2011-12	2012-13	Number	%
GPR	$2,417,700	$0	$0	- $4,835,400	- 100.0%	4.00		0.00	0.00	- 4.00	- 100.0%
FED	759,100	0	0	- 1,518,200	- 100.0	5.00		0.00	0.00	- 5.00	- 100.0
PR	545,600	0	0	- 1,091,200	- 100.0	1.00		0.00	0.00	- 1.00	- 100.0
TOTAL	$3,722,400	$0	$0	- $7,444,800	- 100.0%	10.00		0.00	0.00	- 10.00	- 100.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$2,000
FED	28,800
PR	20,800
Total	$51,600

Governor: Provide adjustments to the base budget for the following: (a) full funding of continuing salaries and fringe benefits (-$500 GPR, $14,400 FED, and $10,400 PR annually); and (b) full funding of lease and directed moves costs ($1,500 GPR annually).

2. ACROSS THE BOARD REDUCTIONS

	Funding	Positions
GPR	$0	- 1.00
FED	- 28,800	- 4.00
Total	- $28,800	- 5.00

Governor: Delete $14,400 FED and 4.0 FED positions and 1.0 GPR position. This provision would delete $237,900 FED annually from federal grants--state operations and increase funding by $223,500 FED for federal grants--aids to individuals and organizations. Also, 1.0 GPR classified position authorized for general program operations would be deleted.

3. REDUCE GPR APPROPRIATIONS

GPR	- $3,319,200

Governor: Reduce funding for general program operations by $64,500 annually, from base level funding of $352,400. Reduce funding for state aid for the arts by $1,595,100 annually, from base level funding of $1,948,600. Staff from DOA indicates these reductions were made in order to match state funding to federal funding for the Arts Board, which was intended to allow the state to retain grants from National Endowment for the Arts (NEA) that require a state match. In 2009-10, the Arts Board received funding from the NEA totaling $936,600 FED, including

$318,500 to preserve arts jobs under the American Recovery and Reinvestment Act (ARRA).

Under current law, state aid for the arts provides contracts with or grants-in-aid to groups or individuals engaged in or concerned with the arts. No grantee may receive grants under the program unless the grantee provides at least 50% of the estimated total cost of the project, either in the form of moneys or in-kind contributions of equivalent value.

4. ELIMINATE PERCENT FOR ART PROGRAM

	Funding	Positions
PR	- $1,022,200	- 1.00

Governor: Delete $511,100 PR and 1.0 position annually and eliminate the percent for art program. Delete an appropriation to receive funds from other state agencies, and an appropriation for administration, related to the percent for art program. Delete statutory requirements related to expenditures for art in state buildings open to the public. Provide that any contract entered into by the Arts Board for the procurement of a work of art that is in effect on the day before the effective date of the bill remains in effect. Require the Arts Board carry out any obligation under the contract, unless the contract is modified or rescinded as permitted under the contract. Require the Arts Board ensure that the work of art procured under the contract is properly executed and installed, as required under current law. Repeal the statutory definition of a work of art. Under current law, work of art means any original creation of visual art, and does not include: (a) any reproduction of an original work unless directly controlled by the artist as part of a limited edition; (b) any decorative, ornamental, functional, or landscape element of a state building, unless an artist is specifically commissioned to create unique decorative, ornamental, functional, or landscape elements for a particular state building; (c) any art object that is mass-produced or of standard design; or (d) any elements peripheral to the work of art itself, including but not limited to site preparation, or any services necessary for activation of the work of art including but not limited to electricity, water, lighting, security, maintenance, and publicity.

Under the current law percent for art program, for state building projects costing over $250,000 and that are normally open for entry by the general public, at least 0.2% of the appropriation for the construction, reconstruction, renovation, or remodeling of or addition to a state building must be used to acquire one or more works of art to be incorporated into the structure or displayed inside or on the grounds of the structure, and to fund all administrative costs of the Arts Board in acquiring the art.

Also under current law, the Arts Board is responsible to properly maintain and display artwork already acquired under the program on the grounds of the state building for at least 25 years. When the Arts Board, in consultation with the agency using the building, determines the art should be removed, the Board is responsible for loaning the work to an accredited museum in the state or to an educational or other appropriate public institution capable of maintaining and exhibiting the art. Under the bill, these responsibilities would remain.

[Bill Sections: 47, 513, 514, 1185, 1186, 1220 thru 1228, and 9104(1)]

5. TRANSFER ARTS BOARD TO THE DEPARTMENT OF TOURISM

	Funding	Positions
GPR	- $1,518,200	- 3.00
FED	- 1,518,200	- 1.00
PR	- 89,800	0.00
Total	- $3,126,200	- 4.00

Governor: Delete $759,100 GPR and 3.0 positions, $759,100 FED and 1.0 position, and $44,900 PR annually and transfer the Arts Board and its powers and duties to the Department of Tourism, under the direction of the Secretary of Tourism. Provide that the composition of the Board would remain the same as under current law, including 15 members appointed for three-year terms who are residents of the state, known for their concern for the arts, and with at least two members from each of the four geographic corners of the state. Under current law, the Arts Board is attached to the Department of Tourism for administrative purposes only.

Transfer from the Arts Board to the Department of Tourism appropriations and statutory language for the following programs: (a) general program operations for the Arts Board; (b) state aid for the arts, for grants to groups or individuals engaged in the arts; (c) funding for portraits of governors; (d) the arts challenge grant program, to encourage fundraising by local arts agencies; (e) an annual grant to the Milwaukee Foundation, Inc. for the high point fund; (f) the Wisconsin regranting program, for grants to local arts agencies and municipalities for which matching funds are received; (g) gifts and grants--state operations, for the purposes for which moneys are received; (h) gifts and grants--aids to individuals and organizations, for the purposes for which moneys are received; (i) support of arts programs, including all moneys received from the Wisconsin Artistic Endowment Foundation for operating support of arts organizations and for grants under the regranting program; (j) state aid for the arts--Indian gaming receipts, a program identical to state aid for the arts, but for grants or payments only to American Indian groups, individuals, organizations, and institutions, and funded from Indian gaming revenues; (k) federal grants--state operations; and (L) federal grants--aids to individuals and organizations.

Provide that the Secretary of Tourism, rather than the Arts Board, would appoint an executive director of the Board outside the classified service, to serve at the pleasure of the Secretary.

Provide that all incumbent employees holding positions in the Arts Board are transferred on the effective date of the bill to the Department of Tourism. Provide that employees so transferred have all the rights and the same status under Tourism that they enjoyed in the Arts Board immediately before the transfer. Provide that no employee transferred who has attained permanent status in class is required to serve a probationary period.

A corrective amendment would be needed to accomplish the intent of the bill.

[Bill Sections: 168, 502 thru 512, 515 thru 517, 739, 1177, 1179, 1182 thru 1184, 1187 thru 1219, 1229 thru 1236, 1742 thru 1745, 2867, 2868, and 9104(2)]

BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

	Budget Summary					FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$19,800	$25,900	$25,900	$12,200	30.8%	0.00	0.00	0.00	0.00	0.0%
FED	1,384,700	1,275,800	1,275,800	- 217,800	- 7.9	7.75	6.25	6.25	- 1.50	- 19.4
TOTAL	$1,404,500	$1,301,700	$1,301,700	- $205,600	- 7.3%	7.75	6.25	6.25	- 1.50	- 19.4%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$16,200
FED	24,000
Total	$40,200

Governor: Provide $20,100 ($8,100 GPR and $12,000 FED) annually to adjust the agency's base budget for the following: (a) full funding of salaries and fringe benefits (-$5,500 FED annually); and (b) lease and directed move costs ($8,100 GPR and $17,500 FED annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

FED	- $59,800

Governor: Delete $29,900 FED annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. 10% ACROSS-THE-BOARD REDUCTION FOR NON-STAFF COSTS

GPR	- $4,000

Governor: Delete $2,000 annually to reduce by 10% the agency's GPR-funded base budget for supplies and services ($19,800). The bill would reduce funding for non-salary and non-fringe benefit costs by 10% for most GPR and PR appropriations.

4. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
FED	- $182,000	- 1.50

Governor: Delete $91,000 FED and 1.50 FED positions annually to reflect the elimination of long-term vacant positions under the bill. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary						FTE Position Summary				
		Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	2010-11 Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
FED	$52,700	$52,700	$52,700	$0	0.0%	0.00	0.00	0.00	0.00	0.0%
PR	1,503,700	1,494,500	1,494,500	- 18,400	- 0.6	8.50	8.50	8.50	0.00	0.0
TOTAL	$1,556,400	$1,547,200	$1,547,200	- $18,400	- 0.6%	8.50	8.50	8.50	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$71,600

Governor: Provide an increase of $35,800 annually for adjustments to the base budget as follows: (a) $18,400 for full funding of continuing salaries and fringe benefits; (b) $15,000 for staff reclassifications; and (c) $2,400 for full funding of lease costs and directed moves.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

PR	- $90,000

Governor: Delete $45,000 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance costs reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

BOARD ON AGING AND LONG-TERM CARE

Budget Summary						FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$1,016,900	$1,077,200	$1,077,200	$120,600	5.9%	15.53	14.73	14.73	- 0.80	- 5.2%
PR	1,563,800	1,467,600	1,467,600	- 192,400	- 6.2	19.47	18.27	18.27	- 1.20	- 6.2
TOTAL	$2,580,700	$2,544,800	$2,544,800	- $71,800	- 1.4%	35.00	33.00	33.00	- 2.00	- 5.7%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$333,200	0.00
PR	15,000	- 1.00
Total	$348,200	- 1.00

Governor: Provide $174,100 ($166,600 GPR and $7,500 PR) annually and delete 1.0 position, beginning in 2011-12, to adjust the Board's base budget for: (a) removal of non-continuing items (-$67,800 PR annually and -1.0 PR position, beginning in 2011-12); (b) full funding of continuing position salaries and fringe benefits ($127,800 GPR and $12,100 PR annually); (c) reclassifications and semiautomatic pay progression ($33,000 GPR and $55,200 PR annually); and (d) full funding of lease and directed moves costs ($5,800 GPR and $8,000 PR annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $109,000
PR	- 141,200
Total	- $250,200

Governor: Delete $125,100 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $54,500 GPR and $70,600 PR. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $77,600	- 0.80
PR	- 19,600	- 0.20
Total	- $97,200	- 1.00

Governor: Delete $48,600 (all funds) and 1.00 position annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $38,800 GPR and 0.80 GPR positions and $9,800 PR and 0.20 PR positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. 10% REDUCTION -- SUPPLIES AND SERVICES

GPR	- $26,000
PR	- 46,600
Total	- $72,600

Governor: Reduce funding for supplies and services by $36,300 (-$13,000 GPR and -$23,300 PR) annually, as part of the Governor's recommendation to reduce base funding for most GPR and PR appropriations, excluding funding for salary and fringe benefits, by 10 percent, beginning in 2011-12. Base funding for the Board's non-salary and non-fringe benefits costs, which is budgeted for supplies and services, is $362,900 ($129,800 GPR and $233,100 PR) annually.

BONDING AUTHORIZATION

1. GENERAL OBLIGATION BONDING AUTHORITY

Include a summary schedule of general obligation bonding authority in the bill, as indicated in the following table:

Agency and Purpose	Governor
Agriculture, Trade and Consumer Protection	
Soil and water	$7,000,000
Agricultural conservation easements	-12,000,000
Building Commission	
Refunding tax-supported and self amortizing debt incurred before July 1, 2013	364,300,000
Environmental Improvement Fund	
Safe drinking water loan program	9,400,000
Natural Resources	
Nonpoint source	7,000,000
Environmental repair	3,000,000
Urban nonpoint source cost-sharing	6,000,000
Contaminated sediment removal	5,000,000
Dam safety projects	4,000,000
Transportation	
Southeast Wisconsin transit improvements	-100,000,000
Marquette interchange, Zoo interchange and I-94 north-south corridor	151,200,000
Harbor improvements	12,700,000
Rail acquisitions and improvements	60,000,000
State highway rehabilitation projects	115,351,500
State highway rehabilitation certain projects	50,000,000
Major highway projects	50,000,000
TOTAL General Obligation Bonds	$732,951,500

In addition, include a summary schedule of debt service appropriations in the bill.

[Bill Section: 372]

2. REVENUE OBLIGATION BONDING

Include a summary schedule of revenue obligation bonding authority in the bill, as indicated in the following table:

Agency and Purpose	Governor
Environmental Improvement Fund	
Clean water fund program	$353,000,000
Transportation	
Major highway projects, transportation facilities	341,763,100
TOTAL Revenue Obligation Bonds	$694,763,100
GRAND TOTAL General and Revenue Obligation Bonds	$1,427,714,600

[Bill Section: 372]

BUDGET MANAGEMENT AND COMPENSATION RESERVES

Budget Change Items

1. COMPENSATION RESERVES

Governor: Provide, in the 2011-13 general fund condition statement, total compensation reserves of $56,388,100 in 2011-12 and $159,881,000 in 2012-13 for the increased cost of state employee salaries and fringe benefits. Total compensation reserve amounts by fund source and fiscal year are shown in the following table:

Fund Source	2011-12	2012-13
General Purpose Revenue	$26,790,000	$77,910,000
Federal Revenue	16,662,700	45,710,000
Program Revenue	5,932,000	16,643,600
Segregated Revenue	7,003,400	19,617,400
Total	$56,388,100	$159,881,000

Details on the component funding amounts included by the Governor in these reserve amounts were not provided by the administration. Typically, amounts within the compensation reserves are funds to pay for such items as: (a) the employer share of increased premium costs in the forthcoming fiscal biennium for state employee health insurance; (b) the costs of any negotiated pay increases; (c) increases in the employer share of contributions to the state retirement fund for employees' future state retirement benefits; and (d) pension obligation bond payments for the state's unfunded prior service liability for retirement benefits and the accumulated sick leave conversion credit program.

[Bill Section: 371]

2. DOA SECRETARY AUTHORITY TO LAPSE $145 MILLION TO THE GENERAL FUND

GPR-Earned	$145,000,000

Governor: Require the Secretary of the Department of Administration (DOA) to lapse $145 million during each of the 2011-13 and 2013-15 biennia from the unencumbered balances of GPR and PR appropriations to executive branch state agencies, other than sum sufficient and federal appropriations. Define executive branch state agency as any office, department, or independent agency in the executive branch of state government. Before lapsing any moneys under this provision, the Secretary would have to develop a plan for lapsing the moneys and submit the plan to the Joint Committee on Finance for approval under a 14-day passive review process.

Provide that these lapses could not occur if the lapse would violate: (a) a condition imposed by the federal government; or (b) the federal or state constitution. Specify that no lapse could be made from PR appropriations of the UW System.

These lapses would be treated as increases in GPR-Earned.

[Bill Sections: 9255(1)(a)(b)&(e)]

3. DOA SECRETARY AUTHORITY TO LAPSE MONEYS FROM PR APPROPRIATIONS OF SPECIFIED AGENCIES

GPR-Earned	$90,668,460

Governor: Require the Secretary of Administration to lapse to the general fund the amounts shown in the following table in each fiscal year of each biennium from the unencumbered balances of PR appropriations of the following executive branch agencies and the courts. Provide that these lapses could not occur if the lapse would violate: (a) a condition imposed by the federal government; or (b) the federal or state constitution. Although the UW System is not included in the list, specify that no lapses could be made from PR appropriations of the UW System. These lapses would be treated as GPR-Earned.

DOA budget documents indicate that the PR lapses in this item and the following item are associated with: (a) employee compensation reductions; (b) eliminating long-term vacancies; (c) across-the-board reductions to nonsalary and fringe benefits funding for most agencies; and (d) funding eliminated for the two percent wage increase for represented staff that was approved in June, 2009.

Agency	2011-13 Biennium	2013-15 Biennium
Administration	$7,461,200	$7,461,200
Aging and Long-Term Care	103,700	103,700
Agriculture, Trade and Consumer Protection	1,566,600	1,566,600
Child Abuse and Neglect Prevention	369,600	369,600
Children and Families	578,000	578,000
Corrections	765,800	765,800
Courts	638,200	638,200
District Attorneys	40,800	40,800
Educational Communications Board	281,300	281,300
Employment Relations Commission	41,000	41,000
Financial Institutions	1,417,500	1,417,500
Government Accountability Board	38,600	38,600
Health Services	13,510,200	13,510,200
Insurance	1,337,700	1,337,700
Justice	1,990,000	1,990,000
Military Affairs	569,800	569,800
Natural Resources	2,800,500	2,800,500
Office of State Employment Relations	692,600	692,600
Public Defender Board	117,800	117,800
Public Instruction	2,366,120	2,366,120
Public Service Commission	91,200	91,200
Regulation and Licensing	3,252,300	3,252,300
Revenue	1,107,800	1,107,800
Secretary of State	50,600	50,600
State Fair Park	20,000	20,000
Tourism	3,600	3,600
Wisconsin Technical College System	1,142,910	1,142,910
Workforce Development	2,978,800	2,978,800
Total	$45,334,230	$45,334,230

[Bill Sections: 9255(1)(c)&(e)]

4. DOA SECRETARY AUTHORITY TO LAPSE MONEYS FROM GPR AND PR APPROPRIATIONS OF SPECIFIED AGENCIES

GPR-Earned	$31,129,200

Governor: Require the Secretary of Administration to lapse to the general fund the amounts shown in the following table in each fiscal year of each biennium from the unencumbered balances of GPR and PR appropriations of the following executive branch agencies. Provide that these lapses could not occur if the lapse would violate: (a) a condition imposed by the federal government; or (b) the federal or state constitution. Although the UW System is not included in the list, specify that no lapses could be made from PR appropriations of the UW System. Specify that in submitting their agency budget requests for the 2013-15 biennial budget, each agency subject to this lapse provision would be required to adjust its base GPR appropriations to reflect any GPR lapses. These lapses would be treated as GPR-Earned.

Agency	2011-13 Biennium	2013-15 Biennium
Administration	$291,600	$236,800
Aging and Long-Term Care	26,300	15,000
Agriculture, Trade and Consumer Protection	273,800	130,300
Children and Families	178,200	14,200
Corrections	8,701,100	133,400
District Attorneys	513,900	2,500
Educational Communications Board	20,400	0
Financial Institutions	120,000	120,000
Government Accountability Board	11,600	1,600
Health Services	1,937,000	99,300
Higher Educational Aids Board	6,700	0
Historical Society	89,500	11,900
Insurance	129,200	129,200
Justice	454,600	55,400
Military Affairs	84,500	31,700
Natural Resources	427,900	207,500
Office of State Employment Relations	1,100	1,100
Public Defender Board	632,600	900
Public Instruction	291,700	74,000
Regulation and Licensing	268,500	268,500
Revenue	928,800	80,500
Secretary of State	600	600
Tourism	12,600	0
Transportation	14,400	14,400
Wisconsin Technical College System	23,200	8,000
Workforce Development	124,800	8,200
Total	$15,564,600	$1,645,000

[Bill Sections: 9255(1)(d)&(e)]

5. REQUIRED GENERAL FUND STATUTORY RESERVE

Governor: Provide that the required general fund statutory balance would be $65 million for 2013-14 and 2014-15. Specify that beginning in 2015-16, the required balance would equal 2% of total GPR appropriations plus GPR compensation reserves for each fiscal year.

Under current law, the required balance is $65 million for 2011-12 and 2012-13 and 2% of total GPR appropriations plus GPR compensation reserves for each fiscal year beginning in 2013-14.

A comparison of current law and the statutory balance requirements under the bill is shown in the following table.

	Current Law	Proposal
2011-12	$65,000,000	$65,000,000
2012-13	65,000,000	65,000,000
2013-14	2%*	65,000,000
2014-15	2%*	65,000,000
2015-16 and thereafter	2%*	2%*

*The required balance equals 2% of gross GPR appropriations plus GPR compensation reserves in that year. As an example, a 2% calculation for 2012-13 under the bill equals $296.1 million.

[Bill Sections: 368 thru 370]

6. LIMIT ON INTERFUND CASHFLOW BORROWING

Governor: Increase the limit on interfund borrowing to support the general fund's cash-flow by three percentage points, from 8% of GPR appropriations in a fiscal year to 11% of GPR appropriations for that year.

Under current law, the Secretary of DOA is authorized to temporarily reallocate to the general fund an amount equal to 5% of total GPR appropriations in order to support the general fund's cashflow (approximately $699 million in 2011-12 and $736 million in 2012-13), from available balances in the state investment fund. In addition, under current law, the Secretary may permit a further 3% to be used for temporary reallocations to the general fund for a period not to exceed 30 days, which cannot be made for consecutive periods (approximately $420 million in 2011-12 and $442 million in 2012-13). This limit would be increased to 6% under the bill. In total, under current law, 8% of GPR appropriations ($1,119 million in 2011-12 and $1,178 million in 2012-13) may be allocated to the general fund on a temporary basis. Under the Governor's recommendation these aggregate limits would be $1,539 million in 2011-12 and $1,620 million in 2012-13. The following table compares the limits under the recommendation with current law. For funds other than the general fund, up to $400 million can be reallocated between the general fund, certain segregated funds, and the local government investment pool. Funds that borrow money through temporary reallocations are charged interest at the earnings rate of the state investment fund. In the 2009-11 biennium, the 5% threshold described above was increased to be 7% through June 30, 2011.

Limits on Temporary Reallocations to Support the General Fund's Cashflow
($ in Millions)

	Current Law			Governor	
Limit	2011-12	2012-13	Limit	2011-12	2012-13
5%	$699	$736	5%	$699	$736
3% (30-day limit)	420	442	6% (30-day limit)	840	884
Total	$1,119	$1,178	Total	$1,539	$1,620

[Bill Section: 367]

7. REPEAL GENERAL FUND SPENDING LIMIT

Governor: Repeal the current provision that limits the amount by which a specified portion of the total GPR budget can increase, over the base budget year, in each year of the following biennium.

Under current law, the GPR budget for a specified portion of total GPR appropriations cannot exceed a level that is calculated by multiplying the total of those appropriations for the second year of the prior fiscal biennium by the estimated percentage increases in state personal income for the two calendar years that start before the July 1 of each fiscal year of the ensuing biennium. All GPR appropriations are subject to this statutory limit except: (a) all appropriations to the Higher Educational Aids Board, the Department of Public Instruction, and the University of Wisconsin System; (b) any appropriation for tax relief; (c) any appropriation for debt service on public debt or operating notes; (d) appropriations for debt service costs on appropriation obligation bonds relating to unfunded liabilities for the Wisconsin Retirement System and the sick leave credit conversion program, as well as to the tobacco settlement repurchase transaction; (e) any appropriation for payment to honor statutory moral obligation pledges; (f) any appropriation for payments to the federal government to avoid a designation of state bonds as arbitrage bonds; (g) any appropriations for payments for legal expenses and the costs of judgments, orders, and settlements of actions and appeals incurred by the state; and (h) any appropriation to transfer moneys from the general fund to the budget stabilization fund. In 2010-11, $7.8 billion of GPR appropriations (55.4%) are not subject to the limit and $6.3 billion of GPR appropriations (44.6%) are subject to the limit, out of the total of $14.1 billion in that year.

[Bill Section: 33]

BUILDING COMMISSION

Budget Summary						FTE Position Summary
	2010-11	Governor		2011-13 Change Over Base Year Doubled		
Fund	Adjusted Base	2011-12	2012-13	Amount	%	
GPR	$25,283,100	$12,502,100	$46,447,900	$8,383,800	16.6%	There are no full time positions authorized for the Building Commission.
PR	2,118,400	2,183,000	3,013,300	959,500	22.6	
SEG	1,024,200	1,024,200	1,024,200	0	0.0	
TOTAL	$28,425,700	$15,709,300	$50,485,400	$9,343,300	16.4%	
BR		$364,300,000				

Budget Change Items

1. GPR DEBT RESTRUCTURING

BR	$364,300,000

Governor: Provide $364,300,000 of general obligation refunding bonding for the purpose of restructuring outstanding principal on GPR-supported, general obligation bonds Under the proposed restructuring, the proceeds from the authorized refunding bonds would be used pay $332,637,600 in principal due in 2011-12 on state GPR-supported public debt that would otherwise be retired in that year. Although this bonding could be used to restructure both tax-supported and self-amortizing bonds, the administration indicates that only GPR-supported bonds would be restructured. These bonds could not be issued after June 30, 2013. In addition, GPR debt service amounts under the bill also reflect the administration's plans to restructure $104,810,800 in GPR commercial paper principal that is otherwise scheduled to be retired in 2011-12.

Under the bill, the proposed debt restructuring actions would reduce individual agency, GPR debt service appropriations by $437,448,400 in 2011-12. These reductions would occur from the use of the refunding bond proceeds to make the principal payments due in 2011-12 and by deferring payment on outstanding GPR commercial paper. Under both debt restructuring actions, the principal on existing general obligation debt and commercial paper remains outstanding for a longer period of time and thus additional interest costs would be incurred by the state. Consequently, under the bill, agency GPR debt service costs increase by a total of $19,668,300 in 2012-13 associated with the initial interest payment on the expected ten-year amortization of the restructured principal amounts. (The fiscal effect of the debt service changes associated with the proposed debt restructuring are included in the "GPR Debt Restructuring --

Debt Service" entries shown under individual agency budgets). As a result of these restructuring actions, under the bill, GPR debt service would total $208,947,900 in 2011-12 and $682,769,700 in 2012-13.

[Bill Section: 798]

2. CURRENT LAW DEBT SERVICE REESTIMATE

GPR	$26,623,400
PR	959,500
Total	$27,582,900

Governor: Increase funding by $6,317,200 GPR in 2011-12 and $20,306,200 GPR in 2012-13 to reflect the current law reestimate of GPR debt service costs on state general obligation bonds and commercial paper debt issued for the following purposes. Increase funding by $64,600 PR in 2011-12 and $894,900 PR in 2012-13 for debt service on PR funded bonds.

	Current Law Debt Service Changes	
	2011-12	2012-13
GPR Debt Service Appropriation		
Capitol and Executive Residence	$5,336,600	$4,554,700
Amounts Not Initially Allocated to Agencies	760,900	14,105,100
Other Public Purposes	-746,200	35,000
Children's Research Institute	432,100	440,000
AIDS Network, Inc.	23,000	22,900
Grand Opera House in Oshkosh	12,500	40,200
Aldo Leopold climate change classroom and interactive library	12,500	40,200
Bradley Center Sports and Entertainment Corp.	252,000	387,100
AIDS Resource Center of Wisconsin, Inc.	61,100	61,100
Madison's Children Museum	19,200	19,100
Myrick Hixon EcoPark, Inc.	46,200	40,400
Marshfield Clinic	125,000	526,300
HR Academy Youth Center	6,100	11,500
Milwaukee Police Youth Activity Center	4,400	10,000
Hmong Cultural Centers	-29,400	-28,700
Civil War Exhibit at Kenosha Museum	16,200	16,100
Bond Health Center	-15,000	25,200
Total GPR	$6,317,200	$20,306,200
PR Debt Service Appropriation		
Energy Conservation Projects	$64,600	$894,900

3. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $18,239,600

Governor: Decrease funding by $19,098,200 in 2011-12 and increase funding by $858,600 in 2012-13 to the reflect the changes in estimated GPR debt service costs for debt service appropriations housed under the Building Commission associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Other GPR funding adjustments relating to the GPR debt restructuring are shown under each individual agency's GPR debt service appropriation. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12.

The following table lists debt service changes by bonding purpose for the proposed restructuring GPR principal amounts in 2010-11. The $858,600 increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the 2011-12 restructured principal amounts.

	Building Commission Restructuring Debt Service Changes	
	2011-12	2012-13
GPR Debt Service Appropriation		
Capitol and Executive Residence	-$9,709,700	$435,800
Amounts Not Initially Allocated to Agencies	-7,550,000	341,100
Other Public Purposes	-1,035,800	40,400
Children's Research Institute	-526,400	28,600
AIDS Network, Inc.	-9,100	500
Bradley Center Sports and Entertainment Corp.	-75,600	3,500
AIDS Resource Center of Wisconsin, Inc.	-24,200	1,100
Madison's Children Museum	-7,600	400
Myrick Hixon EcoPark, Inc.	-15,200	700
HR Academy Youth Center	-66,200	2,900
Milwaukee Police Youth Activity Ctr.	-53,600	2,400
Hmong Cultural Centers	-8,600	400
Civil War Exhibit at Kenosha Museum	-16,200	800
Total GPR	-$19,098,200	$858,600

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$1,107,600	$999,600	$999,600	- $216,000	- 9.8%	1.00	1.00	1.00	0.00	0.0%
FED	620,100	615,100	615,100	- 10,000	- 0.8	1.00	1.00	1.00	0.00	0.0
PR	2,034,000	1,332,900	1,332,900	- 1,402,200	- 34.5	5.00	4.00	4.00	- 1.00	- 20.0
SEG	23,100	23,100	23,100	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	$3,784,800	$2,970,700	$2,970,700	- $1,628,200	-21.5%	7.00	6.00	6.00	- 1.00	- 14.3%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $1,000
FED	- 1,600
PR	109,600
Total	$107,000

Governor: Provide annual adjustments of -$500 GPR, -$800 FED, and $54,800 PR for: (a) full funding of continuing salaries and fringe benefits (-$500 GPR, -$800 FED, and $50,300 PR annually); and (b) full funding of lease costs and directed moves ($4,500 PR annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $7,200
FED	- 8,400
PR	- 38,800
Total	- $54,400

Governor: Delete $27,200 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $3,600 GPR, $4,200 FED, and $19,400 PR. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
PR	- $129,600	- 1.00

Governor: Delete $64,800 and 1.00 position annually to reflect the elimination of long-term vacant positions under the bill. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. BIRTH CERTIFICATE REVENUE

PR	- $1,000,000

Governor: Reduce funding by $500,000 annually to reflect a reestimate of the program revenue the Child Abuse and Neglect Prevention (CANP) Board receives from the birth certificate fee. Under current law, the CANP Board receives $7 of the $20 fee for a duplicate birth certificate. The CANP Board anticipates a decrease in the birth certificate revenue based on recent reductions due to a declining birth rate and an increase in the birth certificate fees under 2007 Act 20 (from $10 to $20). Base funding is $1,465,200.

5. BUDGET EFFICIENCY MEASURES

GPR	- $207,800
PR	- 343,400
Total	- $551,200

Governor: Reduce funding by $103,900 GPR annually in the Board's grants to organizations appropriation and $171,700 PR annually in the general program operations appropriation to reflect the administration's initiative to create additional efficiencies and balance the budget. Base funding is $1,107,600 GPR for the grants to organizations appropriation and $568,800 PR for the general program operations appropriation.

CHILDREN AND FAMILIES

Budget Summary						FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$346,928,600	$495,954,700	$505,903,400	$308,000,900	44.4%	218.03	217.69	217.69	- 0.34	- 0.2%
FED	656,436,600	639,436,100	601,433,100	- 72,004,000	- 5.5	316.47	281.63	281.74	- 34.73	- 11.0
PR	114,505,400	111,402,400	103,695,600	- 13,912,800	- 6.1	158.21	190.73	191.62	33.41	21.1
SEG	9,339,700	9,339,700	9,339,700	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	$1,127,210,300	$1,256,132,900	$1,220,371,800	$222,084,100	9.9%	692.71	690.05	691.05	- 1.66	- 0.2%

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$2,421,600	0.00
FED	53,800	- 1.16
PR	2,054,800	0.00
Total	$4,530,200	- 1.16

Governor: Provide adjustments of $1,210,800 GPR annually; $143,100 FED in 2011-12, -$89,300 FED in 2012-13, and -1.16 FED position, beginning in 2011-12; and $1,027,400 PR annually. Adjustments are for: (a) turnover reduction (-$241,800 GPR, -$286,900 FED, and -$189,300 PR annually); (b) removal of noncontinuing elements from the base (-$1,267,400 FED and -$77,800 PR in 2011-12, -$1,549,800 FED and -$77,800 PR in 2012-13, and -1.16 FED position, beginning in 2011-12); (c) full funding of continuing salaries and fringe benefits ($609,500 GPR, $1,209,200 FED, and $1,129,600 PR in 2011-12 and $609,500 GPR, $1,259,200 FED, and $1,129,600 PR in 2012-13); (d) overtime ($247,400 GPR, $22,700 FED, and $4,300 PR annually); (e) night and weekend differential ($135,400 GPR, $12,400 FED, and $1,300 PR annually); and (f) full funding of lease costs and directed moves ($460,300 GPR, $453,100 FED, and $159,300 PR annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $1,811,800
FED	- 2,576,000
PR	- 1,518,400
Total	- $5,906,200

Governor: Delete $2,953,100 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $905,900 GPR, $1,288,000 FED, and $759,200 PR. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $38,200	- 0.34
FED	- 606,000	- 4.16
Total	- $644,200	- 4.50

Governor: Delete $322,100 and 4.50 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $19,100 GPR and 0.34 GPR position and $303,000 FED and 4.16 FED positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 1.85 GPR, 0.15 FED, and 1.00 PR classified positions and provide 1.85 GPR, 0.15 FED, and 1.00 PR unclassified positions under DCF's general administration general program operations, administrative and support services, and federal project activities appropriations.

Under 2011 Act 10, 38 classified positions would be transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) would be moved from classified to unclassified service within specified agencies. The revised unclassified positions would be renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions would be at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of Act 10 in regards to the transfer of classified positions to unclassified positions as recommended by the Governor.

5. TRANSFER FOODSHARE

Governor: Transfer the federal supplemental nutrition assistance program (SNAP), known in Wisconsin as FoodShare, and the SNAP employment and training program, formerly known as the food stamp employment and training (FSET) program, from the Department of Health Services (DHS) to the Department of Children and Families (DCF) beginning January 1, 2013.

Once SNAP is transferred to DCF, remove the program from DHS's income maintenance program. Instead, require DCF to administer, and enter into contracts for the administration of, SNAP. Specify that administration of SNAP would include the following: (a) receiving applications; (b) determining eligibility; (c) conducting fraud investigation and fraud prevention activities; (d) implementing error reduction procedures; and (e) recovering overpayments of benefits. Require DCF to include SNAP in its program to periodically match and review the records of recipients. Require DCF to withhold payment to a tribe under a contract for the administration of SNAP for the value of any losses for which a tribe is liable.

Modify current state law to change the name of the food stamp program to SNAP and to refer to SNAP benefits, rather than food coupons, once the program has been transferred to DCF. Require DCF to deliver SNAP benefits by an electronic benefit transfer system. Repeal the statutory exception for a tribe's liability for lost food coupons due to natural disasters, and repeal the exceptions to the requirement that SNAP benefits be transferred electronically, beginning January 1, 2013.

The bill would not transfer any positions or funding from DHS to DCF for SNAP or the SNAP employment and training program. Instead, the DOA Secretary would determine which positions and funding would be transferred as of January 1, 2013.

[Bill Sections: 211, 212, 641, 647, 649 thru 651, 668, 671, 677, 678, 1279, 1301, 1339, 1343 thru 1345, 1377, 1384, 1387, 1404, 1407, 1409, 1411, 1412, 1416 thru 1419, 1421, 1485, 1513 thru 1520, 1522, 1524, 1526, 1528 thru 1533, 1535 thru 1539, 1541 thru 1550, 1552, 1553, 1556 thru 1562, 1564, 1566 thru 1588, 1590 thru 1603, 1605, 1609, 1611, 1613, 1615, 1617 thru 1620, 1623 thru 1627, 1645, 1802, 1939, 2051, 2130, 2131, 2162, 2390, 2450, 2866, 3487 thru 3490, 3559, 9121(8), 9321(2), and 9421(4)]

6. TRANSFER SOCIAL SECURITY INCOME (SSI) AND CARETAKER SUPPLEMENT PROGRAMS

GPR	$292,770,800

Governor: Provide $145,179,200 in 2011-12 and $147,591,600 in 2012-13 to reflect the transfer of the supplemental security income (SSI) program and the caretaker supplement program from DHS to DCF on the effective date of the bill. Include these programs in DCF's activities to reduce errors and fraud and to collect overpayments.

[Bill Sections: 210, 636, 643, 669, 679, 1274, 1280, 1285, 1300, 1331, 1332, 1338, 1347, 1401 thru 1403, 1406, 1408, 1410, 1420, 1422, 1450 thru 1453, 1458, 1461, 1462, 1482 thru 1484, 1505, 1608, 1610, 1612, 1614, 1616, 1642, 1644, 1646, 1655, and 3483]

7. POSITION REALIGNMENT

	Funding	Positions
FED	- $432,800	- 2.51
PR	135,000	0.51
Total	- $297,800	- 2.00

Governor: Reduce funding by $148,900 (-$216,400 FED and $67,500 PR) annually and eliminate 2.0 FTE positions (-2.51 FED and 0.51 PR), beginning in 2011-12, to reflect the transfer of 3.0 FTE (-2.51 FED and -0.49 PR) positions from DCF to

DHS for activities related to the client assistance for reemployment and economic support (CARES) computer system and the transfer of 1.0 PR position from the Department of Workforce Development (DWD) to DCF for a finance position related to the contract reporting system.

The bill would transfer 3.0 FTE positions, and the incumbent employees, if any, holding these positions, whose duties are primarily related to automation security for the CARES system, as determined by the Secretary of DOA, from DCF to DHS. Funding for DCF would be reduced by $259,000 annually, which would have supported salaries ($152,300 FED and $30,000 PR) and fringe benefits ($64,100 FED and $12,600 PR). There is an increase of funding and positions in DHS to reflect this transfer.

The bill would also transfer 1.0 FTE, and the incumbent employee, if any, holding this position, whose duties are primarily related to local agency reimbursement contracts for programs administered by DCF, as determined by the DOA Secretary, from DWD to DCF. Funding for DCF of $110,100 annually would support salaries ($77,300 PR) and fringe benefits ($32,800 PR). There is a decrease of funding and a position in DWD to reflect this transfer.

The bill would specify that the employees would be transferred on the effective date of the bill and that all employees transferred would have all of the same state employment rights and status after the transfer that they enjoyed immediately before the transfer. Finally, the bill would specify that any transferred employee who had attained permanent status in class would not be required to serve a probationary period after the transfer.

[Bill Sections: 9108(1) and 9154(1)]

8. PROGRAM AND FEDERAL REVENUE REESTIMATES

FED	$894,000
PR	- 41,199,600
Total	- $40,305,600

Governor: Reduce funding by $19,355,900 ($450,400 FED and -$19,806,300 PR) in 2011-12 and $20,949,700 ($443,600 FED and -$21,393,300 PR) in 2012-13 to reflect reestimates of: (a) the amount of funding that is being transferred to and from DWD and DHS for the CARES computer system and for the correct alignment of funding among the agencies due to the creation of DCF during the 2007-09 biennium (-$14,500,000 PR annually); (b) the amount of federal funding for the Head Start collaboration grant for the Early Childhood Advisory Council under the American Recovery and Reinvestment Act (ARRA) of 2009 ($450,400 FED in 2011-12 and $443,600 FED in 2012-13); and (c) the federal share of assigned child support collections (-$5,306,300 PR in 2011-12 and -$6,893,300 PR in 2012-13).

9. POSITION AND FUNDING REALIGNMENT

	Funding	Positions
FED	- $11,865,000	- 27.56
PR	11,865,000	27.56
Total	$0	0.00

Governor: Decrease funding by $5,932,500 FED annually and eliminate 27.56 FED positions, beginning in 2011-12, and increase funding by $5,932,500 PR annually and add 27.56 PR positions, beginning in 2011-12, to more accurately reflect the needs and organizational structure of DCF. In addition, transfer $305,900 GPR annually and 2.02 GPR positions, beginning in 2011-12, from DCF's children and family services and economic support programs to DCF's general administration program to more accurately reflect the duties of these positions.

Children and Families

1. MILWAUKEE CHILD WELFARE AIDS

GPR	$12,905,500
FED	- 16,049,600
PR	6,000,000
Total	$2,855,900

Governor: Provide $1,278,900 ($3,350,900 GPR, -$8,072,000 FED, and $6,000,000 PR) in 2011-12 and $1,577,000 ($9,554,600 GPR and -$7,977,600 FED) in 2012-13 to reflect the projected costs of aids expenses administered by the Bureau of Milwaukee Child Welfare (BMCW). The federal funding is available under Title IV-E of the Social Security Act. Program revenue consists of Milwaukee child welfare collections. [Collections are SSI, Social Security Administration (SSA) survivor and disability payments, and child support payments for children in out-of-home care that are collected and retained by the state to offset the costs of providing out-of-home care to those children.] Base funding for Milwaukee child welfare aids is $107,655,400 ($54,887,100 GPR, $21,572,900 FED, and $31,195,400 PR).

This item would: (a) transfer $600,000 GPR annually from the BMCW operations appropriation to the BMCW aids appropriation to reflect that funding for nurses is a contracted service; (b) replace decreasing federal Title IV-E funds with GPR ($7,945,700 GPR and -$8,139,400 FED in 2011-12 and $7,898,900 GPR and -$8,092,600 FED in 2012-13); (c) fund projected increases in the costs per case for children in foster homes, group homes, and residential care centers ($1,519,100 GPR and $18,700 FED in 2011-12 and $1,769,600 GPR and $66,300 FED in 2012-13); (d) fund the foster care rate increase approved under 2009 Act 28 ($137,500 GPR and $48,700 FED annually); (e) reduce BMCW aids contracts (-$251,400 GPR annually); and (f) provide accumulated one-time revenue from collections and correspondingly decrease GPR funding for BMCW aids (-$6,000,000 GPR and $6,000,000 PR in 2011-12).

The overall reduction in the BMCW aids contracts of $251,400 GPR annually represents changes to the following contracted services: (a) permanency planning review ($35,300 annually); (b) psychological evaluations (-$52,300 annually); (c) court initiative permanency counselor ($2,000 annually); (d) foster parent crisis intervention (-$116,400 annually); (e) child abuse review team facilitator ($15,000 annually); and (f) subsidized guardianship waiver evaluation (-$135,000 annually).

2. FOSTER CARE, ADOPTION ASSISTANCE, AND SUBSIDIZED GUARDIANSHIP REESTIMATE

GPR	$5,212,800
FED	2,400,600
Total	$7,613,400

Governor: Provide $2,166,700 ($1,940,100 GPR and $226,600 FED) in 2011-12 and $5,446,700 ($3,272,700 GPR and $2,174,000 FED) in 2012-13 to reflect reestimates, based on historical expenditures, of the amount of funding required to support foster care payments for children with special needs who are under the state's guardianship (but do not live in Milwaukee County), adoption assistance payments for children with special needs who have been adopted, and subsidized guardianship payments. Funding also includes an increase in foster care rates approved under 2009 Act 28. [Funding for foster care payments DCF makes on behalf of children with special needs in Milwaukee County is budgeted as part of the BMCW budget.] Base funding for these programs is $100,530,400 ($50,937,000 GPR and $49,593,400 FED). The federal funding is from Title IV-E of the Social Security Act.

The state serves as guardian for children with special needs following termination of parental rights. The state pays the costs of out-of-home placements for these children while they await adoption and makes adoption assistance payments to families who adopt children with special needs.

Based on a federal waiver, in Milwaukee County, the state makes payments to legal guardians if certain criteria are met. Foster care payments terminate when a child is placed with a legal guardian, and subsidized guardianship payments are an effort to encourage permanence for a child by continuing assistance to the licensed foster care parent after the foster parent is appointed a legal guardian for the child. Federal funding for subsidized guardianship is eliminated in 2011-12 due to the anticipated expiration of the federal waiver.

3. INCOME AUGMENTATION

Governor: Create a program revenue appropriation in DCF's general administration program, the interagency and intra-agency aids; income augmentation services receipts appropriation, to receive income augmentation funds transferred from DHS and delete the federal income augmentation services receipts appropriation, to reflect that the income augmentation funds transferred from DHS are program revenue, not federal revenue. In addition, eliminate statutory references that allow DCF to expend federal targeted case management (TCM) funds directly received from the federal Department of Health and Human Services (DHHS) because those funds are deposited with DHS, not DCF. TCM funds are federal medical assistance (MA) matching funds the state claims for services counties provide to children in out-of-home care whose costs are not reimbursable under Title IV-E. In DHS, modify the income augmentation services receipts appropriation to specify that TCM funds received would be transferred to this new appropriation in DCF.

Income augmentation revenues are statutorily defined as federal moneys DHS and DCF receive under Title XIX (medical assistance or MA), Title XVIII (Medicare), and Title IV-E (child welfare) of the Social Security Act as a result of income augmentation activities (maximizing federal reimbursement) for which the state has contracted. The state may use these funds for any purpose.

The amount of Title IV-E matching funds earned by the state has decreased due to: (a) federal policy changes under the federal Deficit Reduction Act of 2005; (b) audit practices implemented through the Title IV-E eligibility process; and (c) ongoing federal review of state IV-E claiming practices. Therefore, income augmentation revenue received by the state has not contained IV-E matching funds since calendar year 2008. As a result, the sole source of income augmentation revenue DCF currently receives is from TCM funds transferred from DHS (other MA and Medicare funds are retained by DHS), which is program revenue, rather than federal revenue.

[Bill Sections: 660, 681, 682, and 1325 thru 1328]

4. CHILDREN AND FAMILY AIDS PROGRAM REVENUE

FED	- $16,571,400
PR	16,571,400
Total	$0

Governor: Transfer $8,285,700 annually from DCF's federal aid; children and family aids appropriation to DCF's interagency and intra-agency aids; children and family aids; local assistance appropriation, a program revenue appropriation created under the bill, in DCF's children and family services program.

Under current law, children and family aids distributed to county departments of human/social services are supported with temporary assistance for needy families (TANF) block grant funds, social services block grant (SSBG) funds, Title IV-E of the Social Security Act, Title IV-B of the Social Security Act, and GPR. SSBG funds, and TANF funds that are transferred to the SSBG, are budgeted directly in DHS. DHS then transfers these funds to DCF. As a result, these funds should be placed in a PR appropriation in DCF, rather than a federal appropriation. This bill would create a new PR appropriation for these SSBG and TANF funds for distribution to county departments as children and family aids. The bill would also authorize the transfer of TANF funds within DCF to this new appropriation for distribution as children and family aids.

[Bill Sections: 659, 662 thru 664, 667, 673, 1324, 1329, and 1330]

5. CHILDREN AND FAMILY AIDS

FED	- $9,354,700
PR	14,122,100
Total	$4,767,400

Governor: Provide $2,383,700 (-$3,890,500 FED and $6,274,200 PR) in 2011-12 and $2,383,700 (-$5,464,200 FED and $7,847,900 PR) in 2012-13 to fully fund an increase in foster care rates approved under 2009 Act 28, to implement the levels of care foster care licensing system required under Act 28, and to reflect reestimates of federal and program revenues. Adjust federal and program revenue funding budgeted to support children and family aids by: (a) increasing funding from Title IV-B of the Social Security Act by $198,000 FED in 2011-12 and $162,800 FED in 2012-13; (b) increasing Title IV-E support by $581,000 FED in 2011-12 and reducing Title IV-E support by $957,500 FED in 2012-13; (c) increasing SSBG funding by $33,600 in 2011-12 and $12,600 in 2012-13 (although this is PR in DCF, it shows as -$57,000 FED in 2011-12 and -$78,000 FED in 2012-13 and $90,600 PR annually because the SSBG appropriation in DCF has been a FED appropriation, but the bill would create a new PR appropriation as described in the entry above);

(d) increasing the amount of TANF funding for the SSBG by $337,500 in 2011-12 and $358,500 in 2012-13 (this shows as FED funding, but should be PR funding as described in the entry above); (e) eliminating stimulus funds under ARRA due to the enhanced federal medical assistance percentage (fmap) of $4,950,000 FED annually; and (f) increasing TCM funds in the amount of $6,183,600 PR in 2011-12 and $7,757,300 PR in 2012-13. The net effect of these funding changes is to use TCM funds to replace the loss of federal funds and to fund the estimated increase in costs.

TCM funds are income augmentation funds described in the "Income Augmentation" item above. The allocation of funds not budgeted during the biennial budget or in separate legislation must be approved by the Joint Committee on Finance in a plan submitted by DHS and DCF in September. This provision would allocate $6,183,600 in 2011-12 and $7,757,300 in 2012-13 of the amount of TCM funds that the administration expects the state to receive during the 2011-13 biennium.

With these changes, total funding for children and family aids would be increased from the base amount of $64,687,500 to $67,071,200 in each year of the 2011-13 biennium. The following table identifies the total amount of funding that would be budgeted for children and family aids under the bill. Under the bill, several PR appropriations, including the SSBG appropriation, would be created for PR-S revenue received from DHS to replace existing FED appropriations. The table reflects that the funding from the SSBG and TANF for SSBG is PR funding, rather than FED funding.

Funding for Children and Family Aids Related Programs
Governor's 2011-13 Biennial Budget Bill

	GPR	FED	PR	Total
Base Funding	$30,403,900	$26,278,400	$8,005,200	$64,687,500
2011-12 Funding Changes Under this Item				
Title IV-B Support		$198,000		$198,000
Title IV-E Support		581,000		581,000
SSBG			$33,600	33,600
TANF for SSBG			337,500	337,500
Loss of ARRA Funds		-4,950,000		-4,950,000
TCM Funds			6,183,600	6,183,600
Subtotal	$0	-$4,171,000	$6,554,700	$2,383,700
Total	$30,403,900	$22,107,400	$14,559,900	$67,071,200
2012-13 Funding Changes Under this Item				
Title IV-B Support		$162,800		$162,800
Title IV-E Support		-957,500		-957,500
SSBG			$12,600	12,600
TANF for SSBG			358,500	358,500
Loss of ARRA Funds		-4,950,000		-4,950,000
TCM Funds			7,757,300	7,757,300
Subtotal	$0	-$5,744,700	$8,128,400	$2,383,700
Total	$30,403,900	$20,533,700	$16,133,600	$67,071,200

6. PROGRAM IMPROVEMENT PLAN

FED	$2,041,200
PR	3,170,800
Total	$5,212,000

Governor: Provide $2,608,800 ($680,400 FED and $1,928,400 PR) in 2011-12 and $2,603,200 ($1,360,800 FED and $1,242,400 PR) in 2012-13 for the Department's child welfare program improvement plan (PIP). Program revenue funding is from federal TCM income augmentation funds. Federal funds are from the SSBG and TANF block grant.

The PIP is a comprehensive child welfare plan to address deficiencies identified in the second federal child and family services review of Wisconsin. If the state does not make progress on these deficiencies, it could face a maximum annual penalty of $1.3 million in federal funding at the end of the PIP improvement period. The PIP consists of five primary strategies: (a) improving permanency planning and case review; (b) improving family engagement and well-being; (c) improving safety timeliness and response; (d) building service capacity; and (e) professional development enhancements.

Funding would support: (a) case planning and review technical assistance and training ($335,200 PR annually); (b) case planning and review permanency consultants ($363,000 PR in 2011-12 and $427,000 PR in 2012-13); (c) safety intervention standards technical assistance and training ($335,200 PR annually); (d) safety intervention standards eWISACWIS system change costs ($650,000 PR in 2011-12); (e) safety intervention standards new training curriculum and training ($100,000 PR in 2011-12); (f) purchase of a learning management system to track training of foster parents ($20,000 PR annually); (g) enhancing and improving KidStat, the performance-based data management program ($100,000 PR annually); (h) subsidized guardianship new training curriculum and training ($25,000 PR annually); and (i) competitive grants for expanding in-home services ($680,400 FED in 2011-12 and $1,360,800 FED in 2012-13).

[Bill Section: 1399]

7. KINSHIP CARE

FED	- $3,284,800

Governor: Reduce funding by $1,642,400 annually in federal TANF funds to reflect estimates of the amount of funding that will be required to fully fund kinship care benefits during the 2011-13 biennium. The funding decreases reflect that some kinship care providers will become licensed under the new levels of care foster care licensing system, and, therefore, be paid under children and family aids, as well as estimates of the cost of funding projected caseloads during the 2011-13 biennium. The estimates are based on the average number of the following cases from July, 2009, through September, 2010: (a) TANF-funded cases; (b) cases on waiting lists; (c) county-funded cases; and (d) tribal-funded cases.

Counties pay, and in Milwaukee County DCF pays, a benefit of $220 per month per child to kinship care relatives if: (a) there is a need for the child to be placed with the relative and the placement is in the best interests of the child; (b) the child meets the criteria, or would be at risk of meeting the criteria, for a child in need of protection or services or a juvenile in need of protection or services, if the child were to remain at home; and (c) the relative meets other nonfinancial requirements. Total funding for kinship care benefits would be $21,375,800 per year.

[Bill Section: 1398]

8. BRIGHTER FUTURES

GPR	- $3,459,800
PR	1,730,000
Total	- $1,729,800

Governor: Reduce funding by $864,900 (-$1,729,900 GPR and $865,000 PR) annually for the brighter futures program and create a program revenue appropriation, the interagency aids; brighter futures initiative appropriation, in DCF's children and family services program. The bill would provide $856,000 GPR to DHS for grants for community programs and require DHS to transfer not more than $865,000 of this funding to DCF for the brighter futures program. Base funding is $1,729,900 GPR.

The brighter futures program seeks to: (a) prevent and reduce the incidence of youth violence and other delinquent behavior; (b) prevent and reduce the incidence of youth alcohol and other drug use and abuse; (c) prevent and reduce the incidence of child abuse and neglect; (d) prevent and reduce the incidence of non-marital pregnancy and increase the use of abstinence to prevent non-marital pregnancy; and (e) increase adolescent self-sufficiency by encouraging high school graduation, vocational preparedness, improved social and other interpersonal skills, and responsible decision-making.

DHS has indicated that it uses $865,000 of the brighter futures funding as maintenance-of-effort (MOE) for the substance abuse and prevention and treatment block grant (SAPTBG). However, DHS also indicates that in order to be used as MOE for the SAPTBG, these general fund dollars must be budgeted directly in DHS. The bill would budget these funds directly in DHS and then require DHS to transfer not more than $865,000 to DCF.

The administration has indicated that the intent of the bill was to comply with federal law and regulations and not to eliminate any of the funding or allow DHS to retain any brighter futures funding.

[Bill Sections: 653, 661, 1309, 1310, and 1323]

9. CHILD WELFARE PROVIDER RATE REGULATION

	Funding	Positions
FED	$89,400	0.66
PR	723,700	5.34
Total	$813,100	6.00

Governor: Provide $324,300 ($35,700 FED and $288,600 PR) in 2011-12, $488,800 ($53,700 FED and $435,100 PR) in 2012-13, 0.55 FED position and 4.45 PR positions beginning in 2011-12, and an additional 0.11 FED position and 0.89 PR position beginning in 2012-13 to implement the third phase of rate regulation required under 2009 Act 28, and modified by 2009 Act 335, which requires DCF to establish per-client rates for residential care centers and group homes, establish factors to consider when reviewing provider rates, establish procedures for reviewing proposed rates and ordering rates when mediation or negotiation fails, develop forms and instructions, establish underlying policies regarding the information DCF needs in order to regulate provider rates, and notify the provider community of the new policies. Federal funding is from Title IV-E of the Social Security Act and the program revenue is from TCM funds.

Funding would support salaries ($21,100 FED and $170,800 PR in 2011-12 and $31,600 FED and $255,300 PR in 2012-13), fringe benefits ($10,400 FED and $84,500 PR in 2011-12 and $15,600 FED and $126,300 PR in 2012-13), and supplies and services ($4,200 FED and $33,300 PR in 2011-12 and $6,500 FED and $53,500 PR in 2012-13) for the following positions, beginning in 2011-12: (a) 2.0 auditors; (b) 1.0 program and policy analyst; (c) 1.0 accountant; and (d) 1.0 legal staff. Funding in 2012-13 would also support an additional 1.0 licensing specialist.

10. CHILD WELFARE ALTERNATIVE RESPONSE PILOT PROGRAM

Governor: Eliminate the child welfare alternative response pilot program restrictions that require DCF to select an agency in a county having a population of 500,000 or more and to select no more than four county departments to participate in the pilot program. Instead, require DCF to select any agency or county department to participate in the pilot program.

Provisions of 2009 Act 28 established a pilot program that authorized participating county departments of human/social services (or an agency in Milwaukee County) to use alternative responses to reports of suspected or threatened child abuse or neglect. This pilot program was intended to focus on responses to low-risk families by providing services in a less adversarial environment in order to prevent future abuse or neglect. The pilot program was limited to five counties, and Milwaukee County was required to be one of these five counties.

[Bill Section: 1342]

11. COMMUNITY SERVICES BLOCK GRANT

Governor: Transfer funding ($8,461,200 FED annually) and positions (1.25 FED positions, beginning in 2011-12) associated with the federal community services block grant from the federal block grant operations and federal block grant aids appropriations in DCF's children and families program to the community services block grant; federal funds appropriation, created under the bill, in DCF's economic support program.

Repeal DCF's economic support federal program aids appropriation. There is no base funding for this appropriation.

[Bill Sections: 665, 666, 675, 676, and 1415]

12. CHILD WELFARE POSITION AND FUNDING REALIGNMENT

Governor: Transfer $3,942,600 GPR and $1,145,600 FED annually and 3.42 GPR positions and a 0.86 FED position, beginning in 2011-12, between appropriations to consolidate and align funding and positions with the correct appropriations within DCF's children and family services program.

These transfers would: (a) consolidate position authority for staff that support eWISACWIS in the DCF central office ($392,600 GPR and $88,000 FED annually and 3.42 GPR positions and a 0.86 FED position, beginning in 2011-12); (b) move expenditure authority for contracted services managed centrally for eWISACWIS from BMCW to the DCF central office ($1,892,900 GPR and $913,500 FED annually); and (c) move administrative support funding from BMCW operations to aids to reflect that vendors would be responsible for their own administrative support ($1,657,100 GPR and $144,100 FED annually).

13. CHILD WELFARE REVENUE REESTIMATES

FED	$8,557,000
PR	- 17,636,200
Total	- $9,079,200

Governor: Reduce funding by $4,335,800 ($4,477,300 FED and -$8,813,100 PR) in 2011-12 and $4,743,400 ($4,079,700 FED and -$8,823,100 PR) in 2012-13 to reflect reestimates of the following child welfare revenue sources: (a) an increase in Chafee foster care independence funding ($383,100 FED annually); (b) an increase in Chafee employment and training vouchers funding ($99,300 FED annually); (c) a decrease in child abuse prevention and treatment act funding (-$24,400 FED annually); (d) an increase in methamphetamine grants funding ($114,800 FED annually); (e) an increase in family connections grants ($463,700 FED in 2011-12 and $116,000 FED in 2012-13); (f) an increase in safe havens funding ($47,300 FED in 2011-12); (g) an increase in the community services block grant ($841,400 FED annually); (h) an increase in domestic abuse funding ($28,900 FED annually); (i) an increase in home visiting funding ($1,160,800 FED annually); (j) an increase in Title IV-E of the Social Security Act ($1,274,800 FED annually); (k) an increase in Title IV-B of the Social Security Act ($87,600 FED in 2011-12 and $85,000 FED in 2012-13); (l) an increase in grants and gifts ($321,200 PR annually); (m) a reduction in the funding DCF receives from counties for the costs of implementing and operating the electronic statewide automated child welfare information system [eWISACWIS] (-$194,300 PR annually); (n) a reduction in TANF block grant funding transferred to a PR appropriation for child welfare, safety, prevention, Milwaukee child welfare, and eWISACWIS activities to reflect that these activities will be funded directly from the TANF FED appropriation rather than transferred to a separate PR appropriation (-$9,190,800 PR annually); (o) an increase in SSBG funding transferred from DHS ($162,900 PR in 2011-12 and $152,900 PR in 2012-13); (p) an increase in project launch funding ($80,000 PR annually); and (q) an increase in administrative fees ($7,900 PR annually).

Economic Support and Child Care

1. W-2 AND TANF RELATED REVENUES AND EXPENDITURES

Governor: Table 1 shows the Wisconsin Works (W-2) and temporary assistance for needy families (TANF) related revenue estimates and expenditures recommended by the Governor. Those items are addressed in detail in the entries that follow according to the number listed in the right-hand column of the table.

Revenues Available for W-2 and TANF Related Programs

As shown, the administration estimates total revenues for W-2 and TANF related programs at $638,780,600 in 2011-12 and $610,069,400 in 2012-13. Overall, total revenues would decrease by $26,237,000 in 2011-12 and decrease by $54,948,200 in 2012-13 compared to the amount available in 2010-11. The decrease primarily reflects a reduction in the amount of excess TANF funding carried over from the prior year as one-time federal stimulus funds are spent.

State funding would include $174,817,800 ($160,313,500 GPR, $5,364,600 PR, and $9,139,700 SEG) in 2011-12 and $173,673,800 ($160,313,500 GPR, $4,220,600 PR, and $9,139,700 SEG) in 2012-13. The program revenue includes the state's share of aid to families with dependent children (AFDC) overpayment recoveries, child support collections that are assigned to the state by public assistance recipients, child care licensing fees, W-2 agency filing fees, and the SSBG funding transferred from DHS for the child welfare program improvement plan. The segregated revenue is from the Department of Administration's public benefits funding.

Federal funding is estimated at $463,962,800 in 2011-12 and $436,395,600 in 2012-13. Federal funds include monies from the TANF block grant, child care development block grant (CCDBG), recoveries of overpayments to W-2 recipients, and carryover of the ending TANF balance from 2010-11.

It should be noted that Congress has extended the TANF program until September 30, 2011, at the same funding levels. The budget bill assumes the federal TANF program would continue beyond that date at the same funding levels through the end of the 2011-13 biennial budget.

Expenditures for W-2 and TANF Related Programs

Under the Governor's recommendations, overall expenditures for W-2 and TANF related programs would be $612,210,900 in 2011-12 and $583,521,100 in 2012-13. These amounts include all funds, and represent an increase from the base budget of $1,330,200 in 2011-12 and a decrease from the base budget of $27,359,600 in 2012-12. The changes in funding reflect reestimates, increased funding for some existing programs, and decreased funding for other existing programs, which are described in the entries below. Expenditures include: W-2 cash grants and wage subsidies; child care subsidies; benefits for the kinship care program, the caretaker supplement, and emergency assistance; state administration and other support services; grants to the Boys and Girls Clubs; and expenditures for other programs.

Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF balance at the end of the 2011-13 biennium would be $26,548,300, which could be carried over into the 2013-15 biennium.

TABLE 1

W-2 and TANF Related Revenues and Expenditures Under the Governor's Budget Bill

	2011-12	2012-13	Change to Base 2011-12	Change to Base 2012-13	Item #
Revenues					
State General Purpose Revenue in DCF (GPR)	$160,313,500	$160,313,500	$0	$0	
AFDC Overpayment Recoveries (PR)	292,900	200,000	0	-92,900	18
W-2 Agency Filing Fees (PR)	1,000	1,000	0	0	
Overpayment Recoveries (FED)	3,530,000	3,530,000	1,000,000	1,000,000	18
TANF Block Grant (FED)	314,499,400	314,499,400	0	0	
Child Care Block Grant (FED)	91,796,500	91,796,500	5,670,000	5,670,000	18
Public Benefits Fund (SEG)	9,139,700	9,139,700	0	0	
Child Support Collections (PR)	3,092,900	2,041,800	-2,502,000	-3,553,100	18
Child Care Licensing Fees (PR)	1,877,800	1,877,800	8,300	8,300	18
SSBG from DHS (PR)	100,000	100,000	100,000	100,000	18
TANF Carryover (FED)	54,136,900	26,569,700	-30,513,300	-58,080,500	
Total Revenues	$638,780,600	$610,069,400	-$26,237,000	-$54,948,200	
Expenditures					
W-2 Agency Contracts					
Benefits	$78,787,800	$61,779,400	$8,271,200	-$8,737,200	2
Administration	11,830,800	11,117,100	460,400	-253,300	3
Services	54,846,300	45,637,000	5,940,700	-3,268,600	3
Child Care					
Direct Child Care Subsidies	290,042,500	288,018,300	-51,957,500	-53,981,700	7
Child Care State Administration and Licensing*	21,061,700	21,143,400	1,020,200	1,101,900	8,10
Quality and Availability Programs	13,486,700	13,169,400	-623,900	-941,200	8,9
Other Benefits					
Kinship Care	21,375,800	21,375,800	-1,642,400	-1,642,400	**
Caretaker Supplement for Children of SSI Recipients	31,232,200	31,232,200	1,299,000	1,299,000	11
Emergency Assistance	6,200,000	6,000,000	200,000	0	12
Administrative Support					
State Administration*	12,322,400	12,322,400	125,600	125,600	13
Fraud Prevention/Program Integrity	605,500	605,500	0	0	
Other Support Services					
Children First	1,140,000	1,140,000	0	0	
Grant Programs					
Boys and Girls Clubs	350,000	350,000	0	0	
Expenditures in Other Programs					
Earned Income Tax Credit	43,664,200	43,664,200	37,000,000	37,000,000	14
Social Services Block Grant	15,393,800	15,414,800	556,500	577,500	15
Child Welfare Safety Services	6,350,300	6,350,300	0	0	
Child Welfare Program Improvement Plan	680,400	1,360,800	680,400	1,360,800	**
Child Welfare Prevention Services	1,489,600	1,489,600	0	0	
Milwaukee Child Welfare/eWISACWIS	1,350,900	1,350,900	0	0	
Total Expenditures	$612,210,900	$583,521,100	$1,330,200	-$27,359,600	
Ending Balance	$26,569,700	$26,548,300			

*Amounts do not reflect employee contributions to pensions and health insurance or the entire amount of the realignments and administrative transfers included in entries under "Departmentwide."
**These entries are described above under the "Children and Families" section.

2. W-2 CASH BENEFITS

FED	- $466,000

Governor: Provide $8,271,200 in 2011-12 and reduce funding by $8,737,200 in 2012-13 for payments to W-2 participants in subsidized employment positions, trial job subsidies, caretaker of newborn infant grants, and at-risk pregnant women grants under current law.

Reduce the monthly grant for community service job (CSJ) placements and CSJ technical college placements from $673 per month to $653 per month and reduce the monthly grant for transitional placements and transitional technical college placements from $628 per month to $608 per month. These reductions would first apply to individuals who are participating in W-2 on the effective date of the bill. Monthly grants for caretakers of newborn infants and at-risk pregnant women would remain at $673 per month.

Benefits funding would total $78,787,800 in 2011-12 and $61,779,400 in 2012-13. Funding would be provided for the last 18 months of the 2010-2012 W-2 agency contracts (July 1, 2011, through December 31, 2012) and the first six months of the next set of W-2 agency contracts that begin January 1, 2013. The administration's estimates assume that W-2 caseloads would decline at the rate of 2% per month during the 2011-13 biennium, with a monthly caseload of 14,307 in July, 2011, and a monthly caseload of 8,990 in June, 2013. The average monthly caseload is estimated at 12,834 families in 2011-12 and 10,070 families in 2012-13. As of this writing, the most recent monthly caseload was 14,566 in January, 2011. Base funding for W-2 benefits is $70,516,600.

[Bill Sections: 1358 thru 1361, and 1389]

3. W-2 AGENCY CONTRACTS -- ADMINISTRATION AND SERVICES

FED	$2,879,200

Governor: Increase funding by $6,401,100 in 2011-12 and decrease funding by $3,521,900 in 2012-13 under the W-2 agency contracts for W-2 services ($5,940,700 in 2011-12 and -$3,268,600 in 2012-13) and for local administration of W-2 ($460,400 in 2011-12 and -$253,300 in 2012-13). Services funding would total $54,846,300 in 2011-12 and $45,637,000 in 2012-13. Funding for local administration of W-2 would total $11,830,800 in 2011-12 and $11,117,100 in 2012-13. Base funding for services is $48,905,600 and for administration is $11,370,400.

Funding would be provided for the last 18 months of the 2010-2012 W-2 agency contracts (July 1, 2011, through December 31, 2012) and the first six months of the next set of W-2 agency contracts that begin January 1, 2013.

In addition, modify the economic support fees for administrative services appropriation to eliminate language allowing the fees to support any costs for DCF of filing statements of economic interest and adding language to allow the support of costs of administering the W-2 agency contracts.

Finally, in the economic support federal block grant operations appropriation, make a technical correction to eliminate the reference to the amounts withheld from W-2 agencies for failing to meet performance standards as being subtracted out of the amounts appropriated for operating and administering the TANF block grant and CCDBG.

[Bill Sections: 670, 672, 1390, and 1391]

4. W-2 PROGRAM CHANGES

Governor: Modify the W-2 program requirements, first applicable to individuals who are participating in W-2 on the effective date of the bill, regarding the maximum time limit for participation in each employment position and the maximum hours required for employment versus education and training activities as follows:

Maximum Time Limit for Subsidized W-2 Employment Positions. Limit participation in a trial job employment position, CSJ employment position, and transitional employment position to 24 months for each position, which need not be consecutive. Authorize DCF, or the W-2 agency with DCF's approval, to grant an extension of the 24-month limit for each W-2 subsidized employment position on a case-by-case basis. Specify that in order for trial job and CSJ participants to receive an extension, the participant must have made all appropriate efforts to find unsubsidized employment, and local labor market conditions must preclude a reasonable job opportunity for that participant, as determined by the W-2 agency and approved by DCF. In addition, for the CSJ employment position, require the W-2 agency, with DCF's agreement, to determine that no trial job opportunities are available in order to extend the 24-month limit.

Authorize an individual to participate in a specific trial job for a maximum of three months, with an opportunity for a three-month extension under circumstances determined by the W-2 agency. Specify that an individual would be allowed to participate in more than one trial job, but generally would not be allowed to exceed the 24-month time limit.

Authorize an individual to participate in a specific CSJ for a maximum of six months, with an opportunity for a three-month extension under circumstances approved by DCF. Specify that an individual would be allowed to participate in more than one CSJ, but generally would not be allowed to exceed the 24-month time limit.

Specify that these 24-month time limits for trial job, CSJ, or transitional employment positions would also apply during receipt of a caretaker of newborn infant grant if the individual was participating in one of these employment positions before receipt of the grant and the child was born more than 10 months after the individual was first determined eligible for W-2. However, if the child was conceived as a result of a sexual assault or incest, which has been reported to a physician and law enforcement, then the 24-month time limit would not apply.

Maximum Hours for Subsidized Employment Activities. Limit the number of hours an individual in a CSJ or transitional placement may participate in work activities and in education and training activities.

Specify that a W-2 agency may require: (a) a CSJ participant to work up to 30 hours per week and to participate in education and training activities for up to 10 hours per week, for a total of 40 hours per week; and (b) a transitional placement participant to work up to 28 hours per week and to participate in education and training activities for up to 12 hours per week, for a total of 40 hours per week.

Under current law, an individual in a CSJ or transitional placement may participate up to 40 hours per week for all activities, with no distinction between work activities and education and training activities.

These provisions were part of the W-2 statutes prior to 2009 Act 28.

[Bill Sections: 1348 thru 1357, 1362 thru 1364, and 9308(4)]

5. W-2 SANCTIONS

Governor: Modify current law to eliminate the following requirements that must be met before sanctioning a W-2 participant, first applicable to individuals participating in W-2 on the effective date of the bill:

Actions Before Determining Nonparticipation. Under current law, before a W-2 agency determines that a W-2 participant is ineligible to participate in W-2 because that individual demonstrated a refusal to participate, the W-2 agency must: (a) determine whether the failure of the individual to participate is because the individual refuses or is unable to participate; (b) ensure that the services offered to the individual are appropriate for him or her; and (c) determine whether good cause exists for the failure to participate. The bill would eliminate this provision.

Conciliation Period for Compliance. Under current law, if a W-2 agency, in accordance with rules promulgated by DCF and after following the "actions before determining nonparticipation" described above, determines that an individual has refused to participate without good cause, the W-2 agency must allow the individual a conciliation period during which he or she must participate in all assigned activities unless good cause exists that prevents compliance during this period. DCF is required to establish the length of the period by rule. The bill would eliminate this provision.

Oral Explanation Before Sanction. Under current law, before a W-2 agency can take any action against an individual that would result in a 20% or more reduction to the individual's benefits or in termination of the individual's eligibility to participate in W-2, the W-2 agency must: (a) explain to the individual orally in person or by phone, or make reasonable attempts to explain to the individual orally in person or by phone, the proposed action and the reasons for the proposed action; (b) after providing the oral explanation, provide to the individual written notice of the proposed action and of the reasons for the proposed action; and (c) after the explanation and notice, allow the individual a reasonable time to rectify the deficiency, failure, or other behavior to avoid the proposed action.

The bill would eliminate the requirement that the W-2 agency explain the proposed action and the reasons for the proposed action orally in person or by phone.

[Bill Sections: 1365 thru 1371 and 9308(4)]

6. TRANSITIONAL JOBS DEMONSTRATION PROJECT

Governor: Eliminate the transitional jobs demonstration project.

Provisions under 2009 Act 28 required DCF to conduct a demonstration project that offers transitional jobs to low-income adults. DCF implemented a two-year demonstration project on July 1, 2010. To be eligible, an individual must: (a) be at least 21 but not more than 64 years of age; (b) be ineligible for W-2; (c) have an annual household income below 150% of the poverty line; (d) be unemployed for at least four weeks; and (e) be ineligible to receive unemployment insurance benefits.

The transitional jobs demonstration project must also include the following requirements: (a) DCF must pay a wage subsidy to any employer that employs an individual for a minimum of 20 hours per week at a location in this state equal to the amount of wages that the employer actually pays, up to 40 hours per week at minimum wage; (b) an employer must pay the individual for hours actually worked, up to 40 hours per week, at not less than minimum wage; (c) limit participation to 1,040 hours actually worked; and (d) employment under the program may not fill a vacancy created by terminating or reducing hours of a regular employee, fill a position when any other person is on layoff or strike regarding the same or substantially equivalent job, or fill a position when any other person is engaged in a labor dispute regarding the same or substantially equivalent job.

The bill would eliminate this demonstration project, beginning on the effective date of the bill. As a result, this demonstration project would last approximately one year, rather than the anticipated two-year period.

[Bill Sections: 1346, 1385, 2391, and 3568 thru 3570]

7. CHILD CARE SUBSIDIES AND COST SAVING MEASURES

FED	- $105,939,200

Governor: Reduce funding by $51,957,500 in 2011-12 and $53,981,700 in 2012-13 for direct child care services under the Wisconsin Shares program, including funding for child care subsidies, local administration, on-site child care at job centers and counties, and migrant child care. Funding for the Wisconsin Shares program under the bill would total $290,042,500 in 2011-12 and $288,018,300 in 2012-13.

In addition, authorize DCF to implement a number of cost saving measures for the Wisconsin Shares program to ensure that expenditures for the program would not exceed the amounts budgeted.

Provider Reimbursement Rates. Prohibit DCF from increasing the maximum reimbursement rates for child care providers before June 30, 2013, except for the tiered reimbursement rates described below under "Child Care Quality Rating and Information System." Provider reimbursement rates are the maximum hourly rates, with a maximum weekly ceiling, that may be paid to a provider who cares for a child participating in Wisconsin Shares, and vary throughout the state based on where the provider is located. Reimbursement rates have not been increased since 2006. This provision would retain the provider reimbursement rates established in 2006.

Notwithstanding this rate freeze, authorize DCF to adjust the amount of reimbursement paid to child care providers who provide child care services under Wisconsin Shares. Notwithstanding the maximum reimbursement rates and the reimbursement rate schedule, DCF would be allowed to adjust the amount of reimbursement paid, either more or less than indicated in the rate schedule, to any child care provider, as long as the overall effect of all of the cost-savings measures reduces costs in Wisconsin Shares. For example, DCF would be allowed to reduce the amount of reimbursement paid to a specific child care provider that is under the reimbursement rate schedule and pay another child care provider above the maximum reimbursement rate, as long as all of the actions taken under these cost savings measures reduce overall Wisconsin Shares expenditures.

Increase Copayments. Authorize DCF to increase the copayment amount that an individual must pay toward the cost of child care received under Wisconsin Shares. Copayments are paid by the parents, which results in savings to the child care subsidies program. Under the schedule used by DCF, the weekly copayment amount varies based on the family's size, the family's income, and the number of children in subsidized care.

Waiting List. Authorize DCF to implement a waiting list for the receipt of a child care subsidy. An applicant on a waiting list would not receive a child care subsidy unless the available funding was sufficient to allow the applicant to receive a subsidy.

Income Eligibility. Authorize DCF to adjust the gross income levels for eligibility for receipt of a child care subsidy under Wisconsin Shares. Under current law, an individual's gross income must be at or below 185% of the federal poverty level (200% once receiving a subsidy) in order for the person to be eligible for a child care subsidy.

The following table shows the administration's projected costs of child care subsidies under current law, additional anticipated savings from the implementation of an automated attendance tracking system authorized under 2009 Act 2, additional anticipated savings from program integrity measures, savings from implementation of tiered reimbursements for the quality rating and information system, and the anticipated cumulative savings from the above-mentioned cost saving measures.

Child Care Subsidies Under SB 27/AB 40

	2011-12	2012-13
Estimated Cost of Child Care Subsidies Under Current Law*	$310,261,100	$312,358,600
Cost Saving Measures		
Automated Attendance Tracking System	-$2,282,000	-$3,406,000
Program Integrity Measures	-2,668,000	-2,721,000
Tiered Reimbursement	-14,468,600	-14,613,300
Cost Saving Measures	-800,000	-3,600,000
Total	-$20,218,600	-$24,340,300
Child Care Subsidies Allocation Under AB 40	$290,042,500	$288,018,300

*Includes $24,695,200 in 2011-12 and $23,937,000 in 2012-13 for local child care administration, on-site child care, and migrant child care.

The administration has not estimated savings for each of the cost saving measures. Instead, DCF would have the authority to implement any of the above-mentioned cost saving measures in any combination to achieve the savings shown in the table.

[Bill Sections: 1379, 1383, and 1394]

8. CHILD CARE QUALITY RATING AND INFORMATION SYSTEM

FED	- $1,905,400

Governor: Reduce funding by $791,200 in 2011-12 and $1,114,200 in 2012-13 to reflect ongoing costs of the child care quality rating and information system (YoungStar). Reduce funding for the administration of YoungStar by $167,300 in 2011-12 and $173,000 in 2012-13 for the following: (a) information technology (-$150,000 annually); and (b) ongoing evaluation (-$17,300 in 2011-12 and -$23,000 in 2012-13).

Reduce funding for YoungStar technical assistance and grants by $1,436,100 in 2011-12 and $1,753,400 in 2012-13 for the following: (a) technical assistance (-$655,300 annually); (b) child care provider improvement grants (-$288,600 in 2011-12 and -$577,100 in 2012-13); and (c) start-up funding and grant administration (-$492,200 in 2011-12 and -$521,000 in 2012-13). In addition, provide $812,200 annually for quality assurance monitoring.

Authorize DCF to use a severity-index tool, as described in the Department's YoungStar plan, to disqualify child care providers who receive a low quality rating, as described in the YoungStar plan, from providing child care services to individuals under YoungStar. DCF's YoungStar plan indicated that a children and families severity index tool would be implemented with licensed and certified child care providers to determine one-star providers, but a description of the tool was not provided. The Joint Committee on Finance prohibited DCF from implementing this severity index tool. This provision would again authorize DCF to use this severity index tool.

Authorize DCF to modify child care provider reimbursement rates based on the provider's assessed rating, as described in the YoungStar plan, as follows: (a) deny reimbursement for a child care provider who receives a one-star rating; (b) reduce the maximum reimbursement rate by up to 5% for a child care provider who receives a two-star rating; (c) pay the maximum reimbursement rate for a child care provider who receives a three-star rating; (d) increase the maximum reimbursement rate by up to 5% for a child care provider who receives a four-star rating; and (e) increase the maximum reimbursement rate by up to 10% for a child care provider who receives a five-star rating. However, it should be noted that another provision in the bill would allow DCF to adjust child care provider reimbursement rates for any child care provider notwithstanding this tiered reimbursement structure for YoungStar. Funding related to the tiered reimbursement rates is included in costs of direct child care subsidies as described above in "Child Care Subsidies and Cost Savings Measures." That entry also includes a description of the cost-saving measure related to child care reimbursement rates.

DCF's YoungStar plan created a five-star quality rating system for all child care providers. Any provider that participated in Wisconsin Shares must be rated under YoungStar, and any child care provider that wanted to be rated under YoungStar must be willing to accept Wisconsin Shares participants. Under DCF's YoungStar plan, child care provider reimbursement rates would be modified as follows: (a) deny reimbursement for one-star providers; (b) current base reimbursement rate for two-star providers; (c) a 5% increase to the base reimbursement rate for three-star providers; (d) a 10% increase to the base reimbursement rate for four-star providers; and (e) a 25% increase to the base reimbursement rate for five-star providers. The bill would modify these provisions as described in the previous paragraph.

Finally, include contracts and grants to implement the child care quality rating system as one of the child care allocations that DCF must fund with the CCDBG.

The amount allocated to administer YoungStar would be $8,327,200 in 2011-12 and $8,004,200 in 2012-13. As noted in the preceding entry, the tiered reimbursement provisions are estimated to result in savings of $14,468,600 in 2011-12 and $14,613,300 in 2012-13.

[Bill Sections: 1375, 1380 thru 1382, 1395, and 1396]

9. QUALITY CARE FOR QUALITY KIDS

Governor: Eliminate the prohibition against transferring any of the TANF block grant to the CCDBG.

Under federal law, states are required to spend a minimum of 4% of their child care allotments from the CCDBG for consumer education activities for parents and the public, to increase parental choice, and to improve quality and availability (including resource and referral services). If TANF funds are transferred to the CCDBG, the 4% requirement is based on the combined amount of these funds, rather than just the CCDBG, which increases the amount of child care funds that must be spent on child care quality and availability programs. As a result, fewer child care funds would be available for child care subsidies.

In addition, specify base funding of $3,975,000 for the child care scholarship and bonus program and of $8,767,000 for child care licensing activities in the statutory child care allocations that DCF must fund with the CCDBG.

[Bill Section: 1373, 1374, and 1376]

10. CHILD CARE STATE ADMINISTRATION AND LICENSING

FED	$1,865,200

Governor: Provide $888,900 in 2011-12 and $976,300 in 2012-13 to reflect increases in state administration of the Wisconsin Shares child care subsidy program. Funding would support increases in: (a) fraud detection and prevention activities ($135,300 in 2011-12 and $146,900 in 2012-13); (b) Milwaukee Early Care Administration, which administers Wisconsin Shares in Milwaukee County following the state takeover of these activities ($252,100 in 2011-12 and $265,300 in 2012-13); (c) fringe benefits due to a higher rate for child care licensors ($250,000 annually); (d) compensation and health insurance reserve amounts ($223,500 in 2011-12 and $286,100 in 2012-13); (e) an increase due to standard budget adjustments ($19,700 annually); and (f) an increase in child care licensing ($8,300 annually). Item "e" is already included in the "standard budget adjustments" entry above and has, therefore, been added in to child care state administration twice.

Combined with child care licensing costs, standard budget adjustments, and administration of YoungStar, the child care state administration and licensing allocation would total $21,061,700 in 2011-12 and $21,143,400 in 2012-13.

[Bill Section: 1395]

11. CARETAKER SUPPLEMENT

FED	$2,598,000

Governor: Increase TANF funding by $1,299,000 annually for benefits and administration of the caretaker supplement for children of recipients of SSI, administered by DHS. TANF funding under the bill would total $31,232,200 annually.

[It should be noted that the budget would provide $1,207,000 annually, rather than $1,299,000, for the caretaker supplement in DHS. The bill would also transfer the caretaker supplement program from DHS to DCF on the effective date of the bill, as described above in "Transfer Social Security Income and Caretaker Supplement Programs."]

[Bill Section: 1397]

12. EMERGENCY ASSISTANCE

FED	$200,000

Governor: Provide $200,000 in 2011-12 to increase funding for the emergency assistance program to reflect increased demand for the program, which provides assistance to needy persons in cases of fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness. Funding for the program would total $6,200,000 in 2011-12 and $6,000,000 in 2012-13.

In addition, modify the TANF statutory emergency assistance allocation to authorize the transfer of emergency assistance funding to the Department of Administration for low-income energy or weatherization assistance programs.

[Bill Section: 1393]

13. STATE ADMINISTRATION OF PUBLIC ASSISTANCE PROGRAMS

FED	$3,735,400

Governor: Provide $1,867,700 annually for state administration of public assistance programs to partially offset reductions under the standard budget adjustments, realignments, and administrative transfers. Of this funding, $125,600 annually was already included in the "standard budget adjustments" entry above and has, therefore, been included in state administration of public assistance programs twice. Funding for state administration would total $12,322,400 annually.

It should be noted that Table 1 only reflects the increase of $125,600 annually because the remainder of the increase was offset by reductions in the "Standard Budget Adjustments," "Position and Funding Realignment," and "Position Realignment" entries under "Departmentwide."

[Bill Section: 1392]

14. EARNED INCOME TAX CREDIT

FED	$74,000,000

Governor: Provide $37,000,000 annually to pay the refundable portion of the state earned income tax credit (EITC) with TANF funding. Total EITC payments are estimated at $116,600,000 in 2011-12 and $116,800,000 in 2012-13, of which TANF would fund $43,664,200 annually. [Other changes regarding the EITC are described under "General Fund Taxes -- Income and Franchise Taxes."]

[Bill Section: 1400]

15. SOCIAL SERVICES BLOCK GRANT

Governor: Provide an additional $556,500 in 2011-12 and $577,500 in 2012-13 in TANF funds that would be transferred to the SSBG. States may transfer up to 10% of the TANF block grant to the SSBG. The current amount of funds transferred to the SSBG is $14,837,300 per year. The additional transfer of funds is due to former kinship care providers becoming licensed under the new levels of care foster care licensing system that was required under 2009 Act 28. As a result, less TANF funding is needed for kinship care and more SSBG funds are needed for children and family aids for out-of-home care costs of licensed foster parents. The increase would also provide funding for the child welfare program improvement plan. These funds are appropriated directly in DHS, so the increase in funding would be reflected in DHS.

In 2010-11, a total of $31.2 million FED from the SSBG and TANF funds transferred to the SSBG is distributed to counties through community aids (administered by DHS) and children and family aids (administered by DCF). States may use SSBG funds to provide services directed toward at least one of five goals: (a) to prevent, reduce, or eliminate economic dependency; (b) to achieve or maintain self-sufficiency; (c) to prevent neglect, abuse, or exploitation of children and adults; (d) to prevent or reduce inappropriate institutional care; and (e) to secure admission or referral for institutional care when other forms of care are not appropriate.

16. WISCONSIN SHARES AND INCOME MAINTENANCE ADMINISTRATION

Governor: Eliminate the Milwaukee County enrollment services unit from the definition of "county department or agency" under Wisconsin Shares and prohibit DCF from contracting with this unit to administer Wisconsin Shares in Milwaukee County, beginning on the date specified in the Wisconsin Administrative Register, as determined by DHS, or on May 1, 2012, whichever is earlier. This provision is part of an item under DHS to eliminate the Milwaukee County enrollment services unit.

In addition, renumber income maintenance administration statutory sections related to DCF to relocate and consolidate these statutes under DCF, rather than have them located under DHS income maintenance sections.

[Bill Sections: 749, 1287, 1289, 1290, 1372, 1378, 1405, 1493 thru 1497, 1669, 1716, 9121(7), and 9421(1)]

17. MODIFICATIONS TO TANF RELATED APPROPRIATIONS

Governor: Specify the following changes to TANF-related appropriations and the description of appropriations used for TANF-related programs: (a) eliminate the appropriation created for the child care stimulus funds; (b) modify the segregated economic support -- public benefits appropriation to specify that these funds may be used for any TANF-related allocation, not just those listed under the W-2 program; and (c) modify the listing of appropriations that may be used for the TANF-related allocations to exclude the appropriation eliminated under (a) and to include the appropriation for the state supplement to the federal SSI program.

[Bill Sections: 674, 680, and 1388]

18. TANF REVENUE ADJUSTMENTS

FED	- $2,266,900
PR	- 5,931,400
Total	- $8,198,300

Governor: Increase funding by $1,043,600 ($3,437,300 FED and -$2,393,700 PR) in 2011-12 and decrease funding by $9,241,900 (-$5,704,200 FED and -$3,537,700 PR) in 2012-13 to reflect: (a) a reestimate of funding generated from the state's share of AFDC overpayment recoveries (-$92,900 PR in 2012-13); (b) a reestimate of the state's share of child support collections used to fund W-2 (-$2,502,000 PR in 2011-12 and -$3,553,100 PR in 2012-13); (c) a reestimate of child support licensing fees ($8,300 PR annually); (d) SSBG funding for the TANF program ($100,000 PR annually); and (e) an increase in TANF funds to correspond to the overall loss of program revenue ($2,393,700 FED in 2011-12 and $3,537,700 FED in 2012-13).

In addition modify TANF funds to reflect action taken in the Joint Committee on Finance for YoungStar, a reduction in TANF funds to correspond to an increase of GPR in base funding, and other appropriated, but unallocated, TANF funds ($1,043,600 FED in 2011-12 and -$9,241,900 FED in 2012-13).

Child Support

1. PROGRAM REVENUE REESTIMATE

PR	- $4,000,000

Governor: Reduce funding by $2,000,000 annually to reflect a revised estimate of revenues from the annual centralized receipt and disbursement (CR&D) fee (-$900,000 annually) and a reduction in the amount of program revenue carried over from prior years (-$1,100,000 annually). The $65 CR&D fee is paid by child support obligors and helps fund the CR&D system, which processes child support, maintenance (alimony), health care expenses, birth expenses, and other child support related payments. Program revenue consists of the CR&D fee, a $25 annual fee, and a tax intercept fee (deducted from the tax intercept before it is passed through to the custodial parent).

2. CONFIDENTIAL FORMS IN ACTIONS AFFECTING THE FAMILY

Governor: Modify current law regarding the submission of a separate confidential form when filing a petition to commence an action affecting the family to specify that: (a) the form must contain the name, date of birth, and social security number of each minor child of the parties and of each child who was born to the wife during the marriage and who is a minor; (b) in a paternity action, the party who filed the petition must submit this form within five days after paternity is adjudicated; and (c) this confidential form must be maintained with the confidential financial disclosure statements or maintained separately from the case file.

Under current law, when a petition in an action affecting the family is filed with the court, the petitioner must submit a separate form, furnished by the court, that contains: (a) the name, date of birth, and social security number of each party; and (b) the name, date of birth, and social security number of each minor child of the parties and of each child born to the wife during marriage. In addition, these forms must be maintained with the confidential information obtained during an annual exchange of financial information or maintained separately. These forms may only be disclosed to parties and their attorneys, a county child support enforcement agency, and any other person authorized by law or court order to have access to the information on the form.

The bill would: (a) eliminate the requirement that the petitioner would have to submit the name, date of birth, and social security number of adult children born to the wife during marriage; (b) require that these forms be filed within five days of the adjudication of paternity in paternity actions; and (c) require that the forms be maintained with the financial disclosure statements completed at the beginning of an action affecting the family, rather than in annual exchanges of financial information, or maintained separately.

The requirement to file the form within five days of adjudication of paternity would first apply to paternity actions commenced on the effective date of the bill. The elimination of the requirement to provide the confidential information in the form for adult children born to the wife of the marriage would first apply to petitions filed on the effective date of the bill.

[Bill Sections: 3478 thru 3481, and 9308(2)&(3)]

3. CHILD SUPPORT DISTRIBUTION CHANGES

Governor: Specify that state law directing how child support payments should be applied to current support, arrearages, and interest be subject to and preempted by any applicable federal statutes or regulations. This provision would first apply to payments for child support received on the effective date of the bill.

Current state law specifies that all payments received for child support must be applied as follows: (a) first, to payment of child support due within the calendar month during which the payment is received; (b) second, to payment of unpaid child support due before the payment is received; and (c) third, to payment of interest accruing on unpaid child support.

Under federal law, payments received for child support may be distributed in a different order if the payee is receiving or has received aid under the TANF block grant program. Under federal law, for payees that formerly received TANF assistance, arrearages (both actual arrearages and interest on those arrearages) that have not been assigned to the state must be paid before arrearages that have been assigned to the state. This requires interest on unassigned arrearages to be paid before actual assigned arrearages. For current TANF recipients, assigned arrearages (both actual arrearages and interest on those arrearages) must be paid before arrearages owed to the family. This requires interest on assigned arrearages to be paid before actual arrearages not assigned to the state. In both of these cases, some of the interest must be paid before some of the arrearages, contrary to state law. The bill would specify that if federal law requires a different order of distribution of child support payments than state law, then support would be distributed according to federal law.

[Bill Sections: 3482 and 9308(1)]

CIRCUIT COURTS

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$95,790,000	$90,248,400	$90,248,400	- $11,083,200	- 5.8%	527.00	527.00	527.00	0.00	0.0%
PR	0	134,000	232,700	366,700	N.A.	0.00	0.00	0.00	0.00	0.0
Total	$95,790,000	$90,382,400	$90,481,100	- $10,716,500	- 5.6%	527.00	527.00	527.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$1,117,000

Governor: Provide adjustments for full funding of salaries and fringe benefits ($558,900 annually) and full funding of lease and directed moves costs (-$400 annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $7,264,800

Governor: Delete $3,632,400 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. APPROPRIATION REDUCTIONS

GPR	- $4,935,400

Governor: Reduce funding by $2,467,700 annually associated with a 10% reduction to supplies and other non-personnel costs. Circuit court appropriations would be reduced as follows: (a) -$143,400 annually from the court interpreter reimbursement appropriation; (b) -$1,855,200 annually from the circuit court support payments appropriation; and (c) -$469,100 annually from guardian ad litem costs.

4. COURT INTERPRETER REIMBURSEMENT

PR	$366,700

Governor: Create a program revenue appropriation and provide $134,000 in 2011-12 and $232,700 in 2012-13 for state reimbursement to counties for court interpreter services, as follows: (a) $57,300 in 2011-12 and $117,000 in 2012-13 for projected increased caseload; and (b) $76,700 in 2011-12 and $115,700 in 2012-13 for projected increased use of certified court interpreters. Funding for the new appropriation would come from revenue from the justice information system surcharge. [See "Administration -- Justice Information System Surcharge Overview" for additional information.]

Under current law, the state reimburses counties for actual expenses for interpreters used in circuit court proceedings from a GPR appropriation. Base funding for court interpreter reimbursement is $1,433,500 GPR. The bill would create an additional PR appropriation for court interpreter reimbursement. In addition, the bill would decrease the GPR appropriation for court interpreters by 10%. [See Item #3 for additional information.]

[Bill Sections: 768 and 3477]

5. CREATE NEW PROGRAM REVENUE RECEIPTS APPROPRIATION -- PROGRAM MATERIALS AND SERVICES-RECEIPTS

Governor: Create a program revenue continuing appropriation for monies received, other than from state agencies, by circuit courts from the sale of materials or services for general program operations of the courts. According to the courts, possible uses for the appropriation would include: court training and committee work with other governmental units, county-purchased judicial legal resources, file sharing, and intergovernmental purchase agreements.

[Bill Section: 767]

6. COUNTY AUTHORITY TO CREATE AND ASSESS FEES FOR COURT SELF-HELP CENTERS

Governor: Authorize a county board to direct its clerk of courts to operate a self-help center in the county courthouse to provide individuals with information regarding the court system. The clerk of courts may staff a self-help center with county employees or volunteers, although no one who works or volunteers at the center may provide legal advice to patrons. Authorize the county board to impose on and collect a fee from individuals who use the services of the self-help center.

Information regarding the court system that a self-help center may provide would include: (a) how to represent oneself in circuit court; (b) how to obtain legal assistance or legal information; (c) information regarding legal proceedings such as small claims actions, family law, and foreclosure; (d) how to file an appeal; (e) information about people and offices in the courthouse; (f) where to obtain, and how to fill out, legal forms; and (g) answers to frequently asked questions concerning the legal system.

[Bill Section: 1671]

COMMERCE

	Budget Summary					FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$26,824,100	$0	$0	- $53,648,200	- 100.0%	59.15	0.00	0.00	- 59.15	- 100.0%
FED	72,330,500	0	0	- 144,661,000	- 100.0	56.70	0.00	0.00	- 56.70	- 100.0
PR	44,456,800	0	0	- 88,913,600	- 100.0	206.45	0.00	0.00	- 206.45	- 100.0
SEG	39,616,800	0	0	- 79,233,600	- 100.0	70.55	0.00	0.00	- 70.55	- 100.0
TOTAL	$183,228,200	$0	$0	- $366,456,400	- 100.0%	392.85	0.00	0.00	- 392.85	- 100.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$907,400
FED	2,281,400
PR	4,015,600
SEG	1,188,000
Total	$8,392,400

Governor: Provide adjustments of $453,700 GPR, $1,140,700 FED, $2,007,800 PR, and $594,000 SEG annually. Adjustments are for (a) turnover reduction (-$226,700 PR annually); (b) full funding of continuing position salaries and fringe benefits ($453,700 GPR, $1,093,500 FED, $2,226,500 PR, and $565,200 SEG annually); (c) reclassifications and semi-automatic pay progression ($47,200 FED and $28,800 SEG annually); and (d) overtime ($8,000 PR annually).

2. REESTIMATE WOMAN'S BUSINESS ENTERPRISE FEES

PR	- $512,000

Governor: Reduce expenditure authority for women's business enterprise fees by $256,000 annually to more closely reflect actual fee collections. Annual expenditure authority would be $35,000. Commerce certifies women-owned businesses and charges a certification fee of $50 to fund administrative costs.

3. APPROPRIATION CHANGE FOR FEDERAL POSITIONS

Governor: Transfer $94,400 FED and 2.0 FED positions annually from the federal aid state operations appropriation under economic and community development to the federal aid state operations appropriation under housing assistance. The positions administer the Neighborhood Stabilization Program which provides financial assistance to communities for activities related to home foreclosures. The appropriation change would fund these activities under the program that funds the Department's housing assistance programs and related activities.

4. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

PR	- $349,800

Governor: Delete $174,900 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage for certain program revenue staff. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs. No reductions are reflected for staff funded from sources other than PR.

5. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $1,066,200	- 8.65
FED	- 874,600	- 10.70
PR	- 4,370,000	- 33.85
SEG	- 426,800	- 3.25
Total	- $6,737,600	- 56.45

Governor: Delete $3,368,800 (all funds) and 56.45 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $533,100 GPR and 8.65 GPR positions, $437,300 FED and 10.70 FED positions, $2,185,000 PR and 33.85 PR positions, and $213,400 SEG and 3.25 SEG positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

6. BUDGET REDUCTIONS

PR	- $2,424,200

Governor: Delete $1,212,100 PR annually to reduce funding for supplies and services, permanent property, unallotted reserve, aids to individuals and organizations, and local assistance. Funding would be reduced in the following appropriations: administration of grants and loans; woman-owned business certification processing fees; Wisconsin Development Fund, repayments; gaming economic development and diversification, repayments; minority business projects, repayments; rural economic development loan repayments; manufactured housing rehabilitation and recycling; American Indian economic development, technical assistance; housing program services, other entities; funding for the homeless; housing program services; regulation of industry, safety and buildings, auxiliary services; safety and building operations; interagency agreements; executive and administrative services, sale of materials or services; and administrative services.

7. ELIMINATE DEPARTMENT OF COMMERCE -- OVERVIEW

Governor: Eliminate the Department of Commerce. Transfer certain economic development programs to the Wisconsin Economic Development Corporation (WEDC). Transfer certain economic development functions and executive and administrative services personnel to the Department of Regulation and Licensing, which would be renamed the Department of Safety and Professional Services (DSPS) under the bill. Transfer the Division of Safety and Buildings and the Division of Environmental Regulatory Services and incumbent staff to DSPS. Transfer housing programs to the Wisconsin Housing and Economic Development Authority (WHEDA).

The following table summarizes funding provided to Commerce under current law, and funding provided to WEDC, DSPS, and WHEDA under the bill related to the elimination of Commerce. Following the table are several summary entries in Commerce that provide detail about funding and positions that are eliminated or transferred. No incumbent Commerce staff are transferred to WEDC and WHEDA, as those entities are not state agencies, and their employees are not state employees. Administration and Commerce officials have indicated that it is expected that all incumbent Commerce staff will be transferred to DSPS, or will be offered positions with WEDC or WHEDA. The figures shown under "Commerce Adjustments" are the sum of the items #1 thru #6 above.

Funding and Positions Related to the Reorganization of Commerce Functions Under the Bill

Department/Fund Source	2011-12 Appropriation	2012-13 Appropriation	2012-13 Positions
Commerce Adjustments*			
GPR	-$79,400	-$79,400	-8.65
FED	703,400	703,400	-10.70
PR	-1,820,200	-1,820,200	-33.85
SEG	380,600	380,600	-3.25
Total	-$815,600	-$815,600	-56.45
Economic Development and Administrative Services Programs			
Commerce			
GPR	-$18,866,700	-$18,866,700	-45.55
FED	-36,632,900	-36,632,900	-16.45
PR	-9,917,700	-9,917,700	-34.60
SEG	-21,702,800	-21,702,800	-3.00
Total	-$87,120,100	-$87,120,100	-99.60
Wisconsin Economic Development Corporation			
GPR	$18,743,700	$16,399,600	
FED	36,390,600	36,390,600	
PR	4,861,200	4,861,200	
SEG	38,850,000	39,850,000	
Total	$98,845,500	$97,501,400	**
Safety and Professional Services			
GPR	$534,500	$534,500	4.00
FED	242,300	242,300	3.00
PR	3,786,000	3,786,000	27.00
SEG	194,000	194,000	2.00
Total	$4,756,800	$4,756,800	36.00
Subtotal -- Economic Development Programs	$16,482,200	$15,138,100	-63.60**

Department/Fund Source	2011-12 Appropriation	2012-13 Appropriation	2012-13 Positions
Safety and Buildings, Environmental Regulatory Services			
Commerce			
GPR	-$2,815,000	-$2,815,000	0.00
FED	-1,768,600	-1,768,600	-15.60
PR	-31,705,200	-31,705,200	-138.00
SEG	-18,294,600	-18,294,600	-64.30
Total	-$54,583,400	-$54,583,400	-217.90
Safety and Professional Services			
GPR	$2,338,600	$2,338,600	0.00
FED	1,768,600	1,768,600	15.60
PR	31,705,200	31,705,200	136.00
SEG	13,744,600	13,744,600	66.30
Total	$49,557,000	$49,557,000	217.90
Subtotal -- Safety and Buildings, and Environmental Regulatory Services	-$5,026,400	-$5,026,400	0.00
Housing Programs			
Commerce			
GPR	-$5,063,000	-$5,063,000	-4.95
FED	-34,632,400	-34,632,400	-13.95
PR	-1,013,700	-1,013,700	0.00
SEG	0	0	0.00
Total	-$40,709,100	-$40,709,100	-18.90
Wisconsin Housing and Economic Development Authority			
GPR	5,063,000	$5,063,000	
FED	34,632,400	34,632,400	
PR	1,013,700	1,013,700	
SEG	0	0	
Total	$40,709,100	$40,709,100	**
Subtotal -- Housing Programs	$0	$0	-18.90**
Grand Total			
Commerce			
GPR	-$26,824,100	-$26,824,100	-59.15
FED	-72,330,500	-72,330,500	-56.70
PR	-44,456,800	-44,456,800	-206.45
SEG	-39,616,800	-39,616,800	-70.55
Commerce Total	-$183,228,200	-$183,228,200	-392.85
Wisconsin Economic Development Corporation			
GPR	$18,743,700	$16,399,600	
FED	36,390,600	36,390,600	
PR	4,861,200	4,861,200	
SEG	38,850,000	39,850,000	
WEDC Total	$98,845,500	$97,501,400	**

Department/Fund Source	2011-12 Appropriation	2012-13 Appropriation	2012-13 Positions
Safety and Professional Services			
GPR	$2,873,100	$2,873,100	4.00
FED	2,010,900	2,010,900	18.60
PR	35,491,200	35,491,200	164.00***
SEG	13,938,600	13,938,600	68.30
DSPS Total	$54,313,800	$54,313,800	254.90
Wisconsin Housing and Economic Development Authority			
GPR	$5,063,000	$5,063,000	
FED	34,632,400	34,632,400	
PR	1,013,700	1,013,700	
SEG	0	0	
WHEDA Total	$40,709,100	$40,709,100	**
Grand Total			
GPR	-$144,300	-$2,488,400	-55.15
FED	703,400	703,400	-38.10
PR	-3,090,700	-3,090,700	-42.45
SEG	13,171,800	14,171,800	-2.25
Reorganization Total	$10,640,200	$9,296,100	-137.95**

*Includes items related to standard budget adjustments, reestimated spending authority for woman-owned business fees, employee contributions for pension and health insurance, budget reductions, and elimination of long-term vacancies.

**WEDC and WHEDA are not state agencies, and their employees are not state employees. Administration officials indicate they expect that all current Commerce employees will be transferred to DSPS, or offered positions at WEDC or WHEDA.

***In addition to transferring funds and positions from Commerce to DSPS, the table includes a position created in DSPS by transferring funds from supplies to salary and fringe. The administration indicates the position would be used for centralized administrative support, and a corresponding position is deleted in DOA.

8. ELIMINATE DIVISION OF BUSINESS DEVELOPMENT AND ECONOMIC AND COMMUNITY DEVELOPMENT FUNCTIONS

	Funding	Positions
GPR	- $34,510,200	- 38.05
FED	- 72,239,800	- 11.55
PR	- 12,263,400	- 6.50
SEG	- 43,017,600	- 1.00
Total	- $162,031,000	- 57.10

Governor: Delete $17,255,100 GPR, 38.05 GPR positions, $36,119,900 FED, 11.55 FED positions, $6,131,700 PR, 6.5 PR positions, $21,508,800 SEG, and 1.0 SEG position annually to eliminate the Division of Business Development and certain economic and community development functions performed by the Department of Commerce. (The Wisconsin Economic Development Corporation [WEDC] would create and administer most state economic development programs.

Transfer of Funding and Positions. The following table shows the appropriations deleted from Commerce. The table includes the base funding in Commerce and the deleted appropriation, related funding and positions. Other summary items under Commerce, including standard budget adjustments, employee contributions to pensions and health insurance, budget reductions, removal of long-term vacant positions, and re-estimating woman-owned business certification fees also affect appropriation amounts and position authority and are shown in separate entries.

The bill would repeal the manufactured housing rehabilitation and recycling program appropriation. Currently, Commerce contracts with a tax-exempt organization to provide grants to: (a) municipalities, organizations, and persons to dispose of abandoned manufactured homes; (b) assist eligible low- to moderate- homeowners with critical repairs of the manufactured home in which they reside; and (c) offset costs of administering the program. The program is funded from a $7 fee per new or transferred certificate of title for a manufactured home. The bill retains the fee, and transfers collection of the fee to DSPS, but it does not provide an alternative to the repealed appropriation for deposit of the fees. (Administration officials indicate the Governor intended to transfer the program and appropriation to DSPS. The bill would need to be amended to accomplish this.)

Deleted Commerce Economic and Community Development Appropriations and Funding

Appropriation Name	Commerce 2010-11 Base Funding	Base Positions	Annual Funding Eliminated	Annual Positions Eliminated
Economic and Community Development				
General Fund				
General program operations	$3,959,900	40.35	$3,829,000	33.55
Economic development promotion; plans and studies	28,200		28,200	
Wisconsin venture fund	136,000		136,000	
Value supply chain grants	0		0	
Wisconsin development fund; grants, loans, reimbursements, and assistance	9,462,000		9,462,900	
Community-based, nonprofit organization grant for educational project	0		0	
Rural outsourcing grants	250,000		250,000	
High-technology business development corporation	534,700		534,700	
Main street program	383,100	4.50	434,000	4.50
Technology-based economic development	0		0	
Hazardous pollution prevention; contract	0		0	
Rural economic development program	569,300		569,300	
International trade; business and economic development grant	0		0	
Forward innovation fund; grants and loans	884,600		884,600	
Manufacturing extension center grants	1,126,400		1,126,400	
Woman's business incubator grant	0		0	
Total GPR	$17,334,200	44.85	$17,255,100	38.05
Program Revenue				
Gifts, grants, and proceeds	$492,000	2.50	$475,000	2.00
Office of regulatory assistance	0	0.00	0	0.00
Recycling and renewable energy fund; repayments	0		0	
Administration of grants and loans	216,100	2.50	225,500	2.50
Wisconsin development fund; entrepreneurial assistance grants	45,000		45,000	
Economic development operations	0		0	

Appropriation Name	Commerce 2010-11 Base Funding	Base Positions	Annual Funding Eliminated	Annual Positions Eliminated
Certified capital companies	$0		$0	
Loans to manufacturing businesses; repayments	0		0	
Wisconsin development fund; repayments	3,801,500		3,421,300	
Gaming economic development and diversification; repayments	328,500		295,600	
Grant and loan repayments; forward innovation fund	0		0	
Rural economic development loan repayments	113,900		102,500	
Manufactured housing rehabilitation and recycling; program revenue	65,700		59,100	
Sale of materials or services	0		0	
Sale of materials and services- local assistance	0		0	
Sale of materials and services - individuals and organizations	0		0	
Clean air act compliance assistance	232,500	2.00	237,200	2.00
American Indian economic development; technical assistance	88,300		79,500	
American Indian economic liaison and gaming grants specialist and program marketing	104,200	1.00	111,600	
American Indian economic development; liaison grants	0		0	
Gaming economic development and diversification; grants and loans	1,079,400		1,079,400	
Funds transferred from other state agencies	0		0	
Total PR	$6,567,100	8.00	$6,131,700	6.50
Federal Funds				
Federal aid, state operations	$1,473,700	17.05	$1,719,900	11.55
Loans to manufacturing businesses	0		0	
Federal aid, local assistance	34,400,000		34,400,000	
Federal aid, individuals and organizations	0		0	
Total FED	$35,873,700	17.05	$36,119,900	11.55
Segregated Funds				
Brownfields grant program and related grants; environmental fund	$6,570,500		$6,570,500	
Wisconsin development fund grants & loans; recycling & renewable energy fund	14,850,000		14,850,000	
Wisconsin development fund, administration; recycling & renewable energy fund	69,700	1.00	88,300	1.00
Total SEG	$21,490,200	1.00	$21,508,800	1.00
Total Economic and Community Development	$81,265,200	70.90	$81,015,500	57.10

Statutory provisions creating the Department of Commerce, the Division of International and Export Development, the Economic Policy Board, and two unclassified positions engaged in advertising, marketing, and promotional activities within the U.S. for business recruitment would be deleted. The Small Business Regulatory Review Board would be transferred to the Department of Administration. The following statutory provisions, including almost all specific Commerce economic development programs and community development functions, would be repealed:

1. Organization of the Department.

2. Duties and powers of the secretary.

3. Business and industrial development functions. A statutory provision under this section that relates to industrial development activities being directed by the Governor would remain. Administration officials indicate that the provision was intended to be deleted. The bill would need to be amended to accomplish this.

4. Reallocation of recovery zone facility bonds.

5. Community development functions.

6. Administration of federal community development block grants (CDBG)

7. Capital access program.

8. Powers and duties related the disposition of state land and buildings for economic development.

9. Authority to provide coordinating services to state and local groups and to coordinate, communicate, and provide economic development related research to state, local, and federal agencies.

10. Economic and community development planning and research.

11. The state Main Street program and related council.

12. The small business environmental council.

13. Renewable energy grants and loans.

14. Loans to manufacturing businesses (green to gold) and related statutory provisions.

15. Gaming economic diversification grants and loans.

16. Grants to the Center for Advanced Technology and Innovation in Racine.

17. Economic adjustment program. Including the Department's responsibilities related to notification for business closing and mass layoffs.

18. Business employees' skills training (BEST) grant program.

19. Entrepreneurial assistance grants.

20. International services, including the Wisconsin trade project program.

21. Rural economic development (RED) program and related Board.

22. Authority to contract for pollution prevention services from the UW-Extension solid and hazardous waste center, and related activities.

23. Targeted microloan program.

24. Manufacturing extension center grants.

25. Grants to the Wisconsin Angel Network.

26. High-technology business development corporation (Wisconsin Technology Council) grants.

27. The Wisconsin Development Fund (WDF) including technology commercialization grant and loan programs.

28. Technology transfer grant and loan program.

29. Wisconsin Venture Fund.

30. Forward Innovation Fund.

31. Office of Regulatory Assistance and regulatory ombudsman.

32. Entrepreneurial assistance network responsibilities.

33. American Indian economic development programs, including technical assistance and liaison grants. (The Department of Administration tribal gaming revenue appropriation for materials and services to state agencies and certain districts would be increased by $79,500 PR annually. Administration officials indicate that this funding would be used for the American Indian economic development, technical assistance grants. However, the statutory program provisions are not transferred to DOA.)

34. Technology-based economic development responsibilities.

35. Small business ombudsman and clearinghouse.

Councils and Memberships. The Department's membership and required activities with the Mississippi River Parkway Commission would be repealed. The bill would also eliminate a provision authorizing any state agency, local public body, commission or agency, if permitted by law, to allocate funds under their control to fund programs recommended by the Commission. Commerce responsibility to support Commission programs that promote statewide economic development would be deleted as well. The Department's responsibilities with regard to the Council on Forestry would be repealed. Commerce would be deleted as a member of: (a) the Council on Offender Reentry; (b) the Small Business Regulatory Review Board; and (c) the Rural Health Development Council. Commerce would also be deleted as a liaison representative to the Kickapoo Valley Reserve Management Board.

Other Modifications to Department Functions. The following statutory requirements would be repealed: (a) that Commerce, in conjunction with other state agencies and local governments, make a biennial comprehensive report to the Governor and legislature on the effects and impacts of town tax incremental financing districts; (b) that copies municipal certifications of incorporation be sent to the Department; (c) that the Secretary of Commerce or designee serve as a nonvoting member of a regional planning commission of a first class city

(Milwaukee); (d) that the Department of Transportation (DOT) be required to consult with Commerce in constructing an interchange of I-90 for certain businesses; (e) that DOT establish criteria for evaluating applications for harbor assistance grants (the administration has indicated this provision is repealed in error), and that the Department consult with Commerce in developing these criteria; (f) that the Department of Agriculture, Trade and Consumer Protection (DATCP) and Commerce enter into a memorandum of understanding for a strategic plan for international agribusiness marketing; (g) that applicants who wish to raise and remove sunken logs from state lands include a business plan approved by Commerce with their applications; (h) that state agencies notify Commerce before promulgating rules that would affect small businesses. Statutory cross references to the definition of "permit" would be modified to reflect repeal of that definition under Commerce. Department functions related to the Health and Educational Facilities Authority, and the job training reserve fund and job training loan guarantee program under the Wisconsin Housing and Economic Development Authority would be deleted.

The Division of Business Development provides technical and financial assistance to assist businesses in planning, site selection, initial capitalization, permitting (including environmental), employee training, research and development, business expansion, and export development. The Department's community development activities include providing financial assistance to local governments through the CDBG program for business development projects, constructing and improving local infrastructure, and preparing economic development plans. Blight elimination and brownfields redevelopment grants fund development projects in environmentally contaminated areas. The Main Street program provides technical assistance for redeveloping downtown business districts.

[Bill Sections: 79 thru 81, 101 thru 109, 115, 169, 175, 228, 364, 384 thru 399, 401 thru 405, 407 thru 412, 414 thru 429, 431 thru 433, 590, 740 thru 744, 869, 908, 909, 987, 1168, 1169, 1695, 1719, 1721, 1740, 1741, 2216, 2240, 2301, 2404, 2708 thru 2711, 2722, 2723, 2729, 2731 thru 2734, 2762, 2785 thru 2787, 2818, 2847 thru 2850, 2852, 2853, 2955, 2993, 3200, 3285 thru 3288, 3290 thru 3304, 3306 thru 3314, 3316, 3322 thru 3326, 3328, 3330 thru 3332, 3334, 3339, 3340, 3342 thru 3354, 3360 thru 3362, 3373 thru 3394, 3396 thru 3407, 3439 thru 3447, and 3464]

9. TRANSFER OF ECONOMIC AND COMMUNITY DEVELOPMENT FUNCTIONS TO THE WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Governor: Transfer the following economic development functions from Commerce to the Wisconsin Economic Development Corporation (WEDC), created by 2011 Wisconsin Act 7:

a. Authority to enter into agreements, subject to approval by the Secretary of Administration, regarding compensation, space and other administrative matters necessary to operate offices in other states and foreign countries.

b. Providing assistance to new and small businesses receiving economic loans or assistance from the Wisconsin Housing and Economic development authority (WHEDA) in locating venture capital and obtaining state licenses and permits.

c. Allocating the volume cap on industrial revenue bonds. Industrial revenue bonds (IRBs) are primarily used to finance manufacturing projects. Commerce allocates IRB volume cap amounts to cities, villages, towns, and counties. The municipality or county sells the IRBs and loans the proceeds to the business conducting the project.

d. Administering employment impact estimates for IRB and WHEDA economic development projects.

e. Requiring the repayment of grants, loans, and tax credits if persons receiving the tax benefits cease conducting the economic activity in the state for which the tax benefits were received.

f. Preparing and submitting an annual report to the State of Wisconsin Investment Board (SWIB) describing the types of investments in businesses in Wisconsin that would enhance economic development in the state.

g. Monitoring notification of position openings by recipients of IRBs or state grants or loans.

h. Administration of the brownfields grant program and the annual report on brownfields redevelopment. The program provides financial assistance to individuals, trustees, municipalities, businesses and nonprofit organizations that conduct brownfields redevelopment and related environmental remediation projects. Under the bill, no related funding would be transferred directly from Commerce to WEDC for program grants. The $1.25 million grant limit and requirement that rules establishing program criteria be established would be deleted.

i. Administration of the electronic medical records tax credit. The tax credit equals 50% of the amount paid by a health care provider in a tax year for information technology hardware or software that is used to maintain medical records in an electronic form. Commerce is required to implement a program to certify health care providers as eligible to claim the tax credit and to allocate tax credits to individual claimants.

j. Administration of early stage business investment tax credits. The program includes the angel investment tax credit and the early stage seed investment tax credit. The angel investment tax credit equals 25% of the claimant's bona fide angel investment made directly in a qualified new business venture (QNBV) for the tax year. The early stage seed investment tax credit is equal to 25% of the claimant's investment paid in the tax year to a certified fund manager that the fund manager invests in a QNBV certified by Commerce. Commerce must verify and certify angel and early stage seed investments before tax credits can be claimed. Commerce is also required to certify QNBVs and fund managers and to perform other administrative functions related to revocation of certifications, transfer of credits, verification of investments and credits, and processing and compiling reports.

k. Administration of the jobs tax credit. The credit equals 10% of wages between $20,000 or $30,000, and $100,000 depending upon location. However, under the bill, the jobs tax credit would be changed to equal the lesser of 10% of wages or $10,000. (see General Fund Taxes, Income and Franchise Taxes). A credit can also be claimed for expenses for improving the job-related skills of any eligible employee, training any eligible employee on the use of job-related new technologies, or providing job-related training to any eligible employee whose employment represents the employee's first full-time job. Commerce is required to allocate tax credits and certify claimants as eligible for the credits, and verify tax credit claims.

l. Administration of the food processing plant and food warehouse investment tax credit. The credit equals 10% of the amount paid in the tax year by the claimant for food processing or food warehousing modernization or expansion. Commerce is required to certify taxpayers, allocate tax credits, and verify tax credit claims.

m. Administration of the meat processing facility investment tax credit. A refundable tax credit may be claimed equal to 10% of the amount the claimant paid in the tax year for meat processing modernization or expansion. Commerce is required to certify claimants and allocate credits.

n. Administration of the woody biomass harvesting and processing tax credit. The credit is equal to 10% of the amount the claimant pays in the tax year for equipment that is used primarily to harvest or process woody biomass that is used for fuel or as a component of fuel. Commerce is required to certify taxpayers as eligible for tax credits and to allocate the credits.

o. Administration of the economic development tax credit. The credit can be claimed by businesses that conduct a job creation, capital investment, employee training, or corporate headquarters location or retention projects. In general, jobs credits ranging from $3,000 to $10,000 per job created or retained can be claimed, depending upon the type and location of the project, and the wages paid to the employee. In order to claim an economic development tax credit, a business must apply to Commerce for certification and allocation of tax credits.

p. Administration of statutory economic development zone programs. Provisions included in 2009 Act 2 discontinued the development zones, enterprise development zones, agricultural development zones, airport development zones (a technical correction is necessary), and technology zones programs and created the economic development tax credit (described above). The bill would provide WEDC with statutory authority to administer the zone programs. However, as noted, these programs were essentially discontinued under provisions in Act 2.

q. Administration of the enterprise zone tax credits. The program provides tax credits, which can be claimed for increased employment, retraining employees, capital investment, and purchases from Wisconsin vendors, for businesses in a zone. The enterprise zone jobs tax credit equals up to 7% of the wages of new employees in excess of $20,000 or $30,000, depending on measures of economic distress in the county in which a project is located. A tax credit of up to 7% is provided for an increase in payroll for employees with wages in excess of $20,000 or $30,000, depending upon economic distress indicators, and only if the number of employees is the same or increased from the year in which the zone was created. A credit can also be claimed for retaining jobs, if the business makes a significant capital investment, and is an original equipment manufacturer, or has more than 500 full-time employees in an enterprise zone. A credit can also be claimed for up to 1% of the amount of certain purchases of goods and services from Wisconsin venders. Twelve zones have been authorized. Commerce is required to designate zones and certify and allocate tax credits to a business if it meets certain criteria related to job creation, investment, wages, and benefits paid, and purchases from Wisconsin businesses.

r. Administration of development opportunity zones. Under 2009 Act 28 Commerce was required to designate an area in the City of Kenosha, and an area in the City of Janesville as development opportunity zones that exist for five years. Any business that locates and conducts activity in the zones is eligible to claim the development zone environmental remediation and jobs tax credit and the development zone capital investment tax credit, and the maximum amount of tax credits that can be claimed by businesses in each zone is $5.0 million. In order to claim tax credits, a business that conducts economic activity in the Kenosha or Janesville development opportunity zone must submit a project plan to Commerce, and comply with other statutory provisions governing development opportunity zones. Commerce can extend the zone an additional five years, and provide an additional $5.0 million in tax credits, if it supports economic development in the city.

WEDC would be authorized to adopt rules to administer the programs that would be transferred, though the Authority would not be subject to most administrative rule promulgation requirements applicable to state agencies.

Transfer of Assets, Records and Contracts. The bill would provide that the assets, liabilities, tangible personal property, and records of Commerce primarily related to the Department's transferred economic and community development functions, except for those functions transferred to the Departments of Administration (DOA) and Agriculture, Trade, and Consumer Protection (DATCP), as determined by the Secretary of Administration, would become the assets, liabilities, property and records of WEDC.

All contracts entered into by Commerce before the effective date of the bill that are primarily related to transferred Commerce economic and community development functions, except for contracts related to functions transferred to DOA or DATCP, as determined by the Secretary of Administration, remain in effect and would be transferred to WEDC. The Corporation would be required to carry out any obligations under a contract until the contract was modified or rescinded by WEDC, to the extent allowed under the contract.

Transfer of Unencumbered Appropriation Balances. The bill would transfer all unencumbered appropriation account balances that would be deleted under Commerce economic and community development, including federal funds, to WEDC.

Other Provisions Related to the Transfer to WEDC. Current law exceptions from disclosure requirements for officials and employees of Commerce for receiving anything of value for activities related to foreign trade trips and hosting individuals to promote tourism, and the related required Department report, would be transferred to WEDC. Statutory cross references to the Department of Commerce would be changed to reflect the transfer to WEDC including provisions related to: coordinating activities with county and town industrial agencies; Department of Transportation statement of determinations for acquisition of abandoned rail property; promotion with DATCP of agricultural products in the state; promotion of aeronautics in the state; providing information to state agencies for economic impact reports on proposed administrative rules; and functions related to WHEDA economic development programs. Statutory cross references to the definition of "qualified new business venture", "economic development program" and "brownfields" would be changed to reflect administrative transfer to WEDC. The statutory definitions of "business," "governing body," and "job" would be recreated under Department of Transportation facilities and economic assistance and development provisions.

Economic Development Audits and Accountability Measures. The financial and performance audit of state agency economic development programs prepared by the Legislative Audit Bureau and due on July 1, 2012, and the audit of the economic development tax credit due on July 2014, would include WEDC rather than Commerce. Current law provisions that require certain state agencies to consult with Commerce in developing accountability measures and goals for economic development programs and to provide comprehensive annual reports assessing economic development programs to Commerce would be modified to reflect the transfer of economic development functions to WEDC. In addition, the bill would specify that each Department would be required to coordinate any economic development assistance with WEDC. These provisions would apply to the following agencies: (a) the Department of Natural Resources; (b) the University of Wisconsin System; (c) Department of Tourism; (d) Department of Transportation; and (e) the Wisconsin Housing and Economic Development Authority.

Annual Comprehensive Report. The bill would repeal an annual comprehensive report on economic development programs required to be submitted by Commerce to the Joint Audit Committee and legislative standing committees by each October 1 and to be readily available on the Internet. A similar provision was created for WEDC under 2011 Act 7. However, the report repealed under Commerce requires items not currently included under the WEDC provision. These would include the following: (a) quantifiable performance measures directly relating to the purpose of the economic development program, including, when applicable, the location by municipality and the industry classification of each job created or retained; and, (b) the amount and recipient of each tax credit allocation made.

Transfer of Councils and Memberships. Membership on the following entities would be transferred from Commerce to WEDC: (a) WHEDA; (b) the Agricultural Education and Workforce Development Council; (c) Investment and Local Impact Fund Board; and (d) the World Dairy Authority. Department functions related to the Lake States Wood Utilization Consortium would be transferred to WEDC.

[Bill Sections: 63, 66, 67, 99, 167, 358 thru 362, 499, 500, 592, 857 thru 860, 868 thru 875, 910, 911, 915, 950, 959, 960, 986, 1088, 1090, 1092 thru 1094, 1161 thru 1167, 1677, 1685, 1731 thru 1739, 1762, 1765 thru 1801, 1803 thru 1821, 1828 thru 1863, 1865 thru 1871, 1878, 1898 thru 1938, 1940 thru 1958, 1965 thru 2002, 2008, 2016 thru 2050, 2052 thru 2070, 2077 thru 2113, 2119, 2129, 2133 thru 2135, 2151, 2153 thru 2161, 2163 thru 2176, 2192, 2196 thru 2199, 2230 thru 2232, 2239, 2293 thru 2300, 2393, 2432, 2703, 2714, 2715, 2738, 2819, 2820, 2824, 2825, 2828 thru 2830, 2833 thru 2846, 2851, 2854, 2987, 2989, 2991, 3289, 3305, 3315, 3318, 3327, 3329, 3333, 3341, 3355 thru 3359, 3363 thru 3367, 3370 thru 3372, 3408 thru 3438, 3448, 9110(6), and 9210(2)&(3)]

10. TRANSFER CERTAIN ECONOMIC DEVELOPMENT AND EXECUTIVE AND ADMINISTRATIVE SERVICES FUNCTIONS TO THE DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

	Funding	Positions
GPR	- $3,223,200	- 7.50
FED	- 1,026,000	- 4.90
PR	- 7,572,000	- 28.10
SEG	- 388,000	- 2.00
Total	- $12,209,200	- 42.50

Governor: Delete $1,611,600 GPR, 7.5 GPR positions, $513,000 FED, 4.9 FED positions, $3,786,000 PR, 28.1 PR positions, $194,000 SEG and 2.0 SEG positions annually and transfer certain economic development functions and executive and administrative services personnel to the Department of Safety and Professional Services. (See the entry under Regulation and Licensing for the recommendation that the agency be renamed the Department of Safety and Professional services (DSPS) and the funding provided to that Department.)

Economic development and administrative funding and personnel that would be transferred would include:

a. Administration of the Women's Business Initiative Corporation (WBIC) grant ($99,000 GPR annually). WBIC provides access to capital through direct lending, individualized business assistance, and business education focused on women, minority, and low-income individuals.

b. Administration of the minority, woman-owned, and disabled veteran owned certification programs. The woman-owned business processing fees appropriation ($31,500 PR annual expenditure authority) would be renamed disabled veteran-owned, woman-owned, and minority business certification fees and transferred to DSPS. The Department would be authorized to charge fees to minority business for certification. Statutory cross-references to the definitions of "minority", "minority business", "woman-owned business", and "disabled veteran-owned business" would be changed to reflect the transfer. Under the minority, woman-owned, and disabled-veteran owned business certification programs, Commerce certifies such businesses as eligible for bid preference for state contracts. The Department charges a $50 certification fee, and $100 for two one-year renewals.

c. Administration of small business innovation research (SBIR) assistance grants. The bill would transfer the minority business projects; repayments appropriation, and $510,500 PR annual expenditure authority to DSPS for the grants. The program provides financial aid to small Wisconsin high-technology businesses to help them obtain seed, early-stage or research and development funding. Funding is provided to: (a) businesses in the early stage research and development phase preceding eligibility for grants under the federal SBIR program; (b) businesses preparing for SBIR applications; and (c) businesses that have received prior federal SBIR funding and are in the commercialization phase of this activity.

d. The brownfields redevelopment activities appropriation (annual funding of $194,000 environmental fund SEG and 2.0 positions). The positions administer the Department's blight elimination and brownfields redevelopment (BEBR) grant program. BEBR provides financial assistance to individuals, businesses and local governments for assessing and remediating the environmental contamination of an abandoned, idle, underused or blighted industrial or commercial facility or site. (Administration officials indicate that this appropriation, and the related funding and positions, was intended to be deleted as part of eliminating the Department of Commerce. The bill would need to be amended to accomplish this.)

e. Funding and positions deleted from the Commerce Division of Administrative Services includes $1,512,600 GPR and 7.5 GPR positions, $513,000 FED and 4.9 FED positions, $3,244,000 PR and 28.1 PR positions. The Division provides internal management services, including personnel, payroll and benefits, affirmative action, employee health and safety, labor relations, telecommunications, property and space management. The administrative services general program operations appropriation would be renamed general program operations -- executive and administrative services under DSPS. The sale of materials and services program revenue appropriation would be renumbered under DSPS. The gifts, grants, and proceeds program revenue, and federal aid, state operations appropriations would be repealed. Resources provided to DSPS are shown in the following table.

f. The state relocation unit would be transferred to DSPS. Under Wisconsin relocation law, public agencies and local governments that undertake a publicly-funded activity that displaces them from their homes, farms or businesses are required to file a relocation plan with the state relocation unit. A relocation plan must explain the actions taken by the agency or governmental unit to: (a) assist displaced owners and tenants in finding suitable replacement dwellings, farms, or business locations; (b) inform displaced persons on available state, federal, and local assistance programs; (c) determine the costs of relocation payments and services; (d) and ensure that persons are not required to vacate dwellings until they have a reasonable chance to find replacement dwellings. The Relocation Unit assists local governments and agencies in developing equitable relocation plans, payments and services, as well as assisting in resolving disagreements. The Unit also provides information materials on state relocation and eminent domain laws, and develops sample formats for plans and waivers.

g. Authority to promulgate administrative rules related to administration of the rural hospital loan guarantee program under the Wisconsin Health and Educational Facilities Authority (WHEFA) would be transferred to the Department of Administration (DOA).

Transfer of Funding and Positions. The table shows the appropriations transferred from Commerce to DSPS. The table includes the base funding in Commerce and the appropriation amounts and position authority in DSPS. Other summary items under Commerce, including standard budget adjustments, employee contributions to pensions and health insurance, budget efficiencies, removal of long-term vacant positions, and re-estimating woman-owned business certification fees also affect appropriation amounts and position authority and are summarized separately.

Commerce Economic and Community Development and Executive and Administrative Services Appropriations Transferred to the Department of Safety and Professional Services

	Commerce 2010-11 Base Funding	Base Positions	Appropriated to DSPS Funding 2011-12	Appropriated to DSPS Funding 2012-13	Appropriated to DSPS Positions 2012-13
Economic and Community Development					
General Fund					
Woman's business initiative corporation	$99,000		$99,000	$99,000	
Program Revenue					
Disabled veteran-owned, woman-owned, and minority business certification fees	291,000		31,500	31,500	
Minority business projects; repayments	567,200		510,500	510,500	
Total PR	$858,200		$542,000	$542,000	
Segregated Funds					
Brownfields redevelopment activities; administration	$190,500	2.25	$194,000	$194,000	2.00
Executive and Administrative Services					
General Fund					
General program operations - executive and administrative services	$1,447,000	7.50	$435,500	$435,500	4.00
Program Revenue					
Sale of materials or services	39,600		35,600	35,600	
Sale of materials and services - local assistance	0		0	0	
Sale of materials and services - individuals and organizations	0		0	0	
Administrative services	3,629,000	33.45	3,196,400	3,196,400	27.00
Gifts, grants and proceeds	12,000		12,000	12,000	
Transfer of unappropriated balances	0				
Total PR	$3,641,000	33.45	$3,208,400	$3,208,400	27.00
Federal Funds					
Federal aid, local assistance	0		0	0	
federal aid, individuals and organizations	0		0	0	
Indirect cost reimbursements	459,900	6.90	242,300	242,300	3.00
Total	$6,695,600	50.10	$4,756,800	$4,756,800	36.00
Fund Source Totals					
GPR	$1,546,000	7.50	$534,500	$534,500	4.00
PR	4,487,200	33.45	3,786,000	3,786,000	27.00
FED	459,900	6.90	242,300	242,300	3.00
SEG	194,000	2.25	194,000	194,000	2.00
Total	$6,683,600	50.10	$4,756,000	$4,756,000	36.00

Transfer of Program Assets, Employees, and Matters. The bill would provide that the assets, liabilities, tangible personal property, and records of Commerce primarily related to disabled veteran-owned, woman-owned, and minority business certifications, women's business initiative corporation grants, and small business innovation research grants, as determined by the Secretary of Administration, would become the assets, liabilities, property and records of DSPS. Any matter pending related to these activities on the effective date of the bill would be transferred to DSPS. Any materials submitted with respect to the pending matters would be considered as having been submitted to or taken by DSPS.

All contracts entered into by Commerce before the effective date of the bill that are primarily related to disabled veteran-owned, woman-owned, and minority business certifications, women's business initiative corporation grants, and small business innovation research grants, as determined by the Secretary of Administration, remain in effect and would be transferred to

DSPS. The Department would be required to carry out any obligations under a contract until the contract was modified or rescinded by DSPS, to the extent allowed under the contract.

All rules promulgated by Commerce that were in effect on the effective date of the bill that were primarily related to disabled veteran owned, woman-owned, and minority business certifications, women's business initiative corporation grants, and small business innovation research grants would remain in effect until their specified expiration dates, or until amended or repealed by DSPS. All orders issued relating to such certifications or grants that were in effect on the effective date of the bill would remain in effect until their specified expiration dates, or until modified or rescinded.

All positions and all incumbent employees holding those positions in the Department of Commerce in the Division of Administrative Services or that are primarily related to disabled veteran-owned, woman-owned, and minority business certifications, women's business initiative corporation grants, and small business innovation research grants, as determined by the Secretary of Administration, would be transferred to DSPS on the effective date of the bill. Employees transferred under the provision would have the same rights and status related to state employment relations under Chapters 111 and 230 of the statutes. Transferred employees who have attained permanent status would not be required to serve a probationary period. The bill specifies that the incumbent administrator of the Division of Administrative Services who was transferred from a classified position in Commerce to an unclassified position in DSPS would retain protections afforded employees in the classified service related to demotion, suspension, discharge, layoff, or reduction in base pay. It should be noted that, the Division of Administrative Services is one of six divisions in Commerce, and the statutes currently authorize six, unclassified division administrators. Authority for the division administrator positions is not repealed in the bill. An amendment to the bill would be necessary to eliminate the authorized Commerce division administrators.

Transfer of Councils and Memberships. Commerce membership on the following statutorily designated councils and boards would be transferred to DSPS: (a) Council on Small Business, Veteran-Owned Business and Minority Business Opportunities; and (b) Wisconsin Land Council.

[Bill Sections: 97, 250 thru 255, 257, 262, 275, 276, 282, 283, 297, 342 thru 353, 400, 406, 413, 430, 477 thru 488, 872 thru 875, 923 thru 945, 1004, 1089, 1091, 1102, 1112, 1133, 1170, 1197, 1678, 2222 thru 2226, 2256, 2394, 2553, 2554, 2741 thru 2750, 2783 thru 2787, 2831, 2832, 2872, 2873, 3282, 3317, 3319 thru 3321, 3395, 3465, 3466, and 9110(2)&(4)]

11. TRANSFER DIVISIONS OF SAFETY AND BUILDINGS AND ENVIRONMENTAL REGULATORY SERVICES TO DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

	Funding	Positions
PR-REV	- $139,000	
GPR	- $5,630,000	0.00
FED	- 3,537,200	- 15.60
PR	- 63,410,400	- 138.00
SEG	- 36,589,200	- 64.30
Total	- $109,166,800	- 217.90

Governor: Delete $2,815,000 GPR, $1,768,600 FED and 15.6 FED positions, $31,705,200 PR and 138.0 PR positions, and $18,294,600 SEG and 64.3 SEG positions annually to transfer the Division of Safety and Buildings and the Division of

Environmental Regulatory Services to the Department of Safety and Professional Services (DSPS). (See the entry under "Regulation and Licensing" for the recommended renaming of that Department to the Department of "Safety and Professional Services" and the provision of funding to DSPS.)

Current Responsibilities. The Division of Safety and Buildings administers building codes for public and private buildings, places of employment and residential structures. The Division provides plan review and inspection for commercial, industrial, and multifamily buildings, and for systems such as electrical, plumbing, private sewage, elevator, heating, ventilating, and air conditioning, boilers, mechanical, fire protection, amusement rides, swimming pools, and manufactured homes. It delegates responsibility for administration of the one- and two-family dwelling code and associated construction site erosion control to many municipalities, and administers the code in many other municipalities. The Division also issues credentials, licenses, and certifications for many occupations such as electrician, plumber, building inspector, building contractor, liquid petroleum gas supplier, thermal system insulation mechanic, and automatic fire sprinkler contractor. It administers programs related to mine safety, fireworks, and fire prevention. The Division administers the private sewage system rehabilitation and replacement grant program (also known as the Wisconsin Fund), which provides financial assistance to owner-occupants of a principal residence and owners of small commercial businesses who meet certain income and eligibility criteria, to cover a portion of the cost of repairing or replacing failing private sewage systems. The Division also administers a fire department dues program, which uses revenues collected from insurers doing a fire insurance business in the state to fund a portion of costs of state and local fire prevention and fire protection programs. The program distributes most of the revenues to each city, village or town maintaining a local fire department that complies with state law.

The Division of Environmental Regulatory Services is responsible for: (a) inspection of petroleum products that enter the state at terminals; (b) plan review, inspection, and regulation of the installation, operation and proper removal of petroleum product storage tank systems at retail gas stations and non-retail locations and tank systems that store other flammable and combustible liquids; (c) administration of cleanup of low- and medium-risk sites with contamination from discharges from petroleum product storage systems; and (d) administration of payments under the petroleum environmental cleanup fund award (PECFA) program, which reimburses owners for a portion of the cleanup costs of discharges from petroleum product storage tank systems and home heating oil systems.

Transfer of Funding and Positions. The table shows the appropriations transferred from the two Commerce Divisions to DSPS. The table includes the base funding in Commerce and the appropriations and position authority in DSPS. Other summary entries under Commerce describe actions taken under the bill related to standard budget adjustments, employee contributions to pension and health insurance, budget efficiencies, and elimination of long-term vacancies before the Commerce programs are transferred to DSPS.

Commerce Divisions of Safety and Buildings and Environmental Regulatory Services
Base Funding and Funding Transferred to the Department of Safety and Professional Services

Appropriation Name	Commerce 2010-11 Base Funding	Base Positions	DSPS 2011-12 Appropriation	DSPS 2012-13 Appropriation	DSPS 2012-13 Positions
General Fund					
Private sewage system replacement and rehabilitation grant program	$2,815,000	0.00	$2,338,600	$2,338,600	0.00
Federal Funds					
General program operations	$1,711,600	17.40	$1,768,600	$1,768,600	15.60
Program Revenues					
Gifts and grants	$18,000	0.00	$18,000	$18,000	0.00
Auxiliary services	23,400	0.00	21,000	21,000	0.00
Safety and buildings operations	16,726,400	156.80	16,263,200	16,263,200	129.14
Interagency agreements	120,800	1.60	113,500	113,500	1.36
Fire dues distribution	14,655,600	0.00	14,655,600	14,655,600	0.00
Fire prevention and fire dues administration	680,400	6.60	633,900	633,900	5.50
Subtotal PR	$32,224,600	165.00	$31,705,200	$31,705,200	136.00
Segregated Revenues					
Petroleum inspection operations	$5,194,500	43.50	$5,369,700	$5,369,700	44.50
Diesel truck idling reduction grants	1,000,000	0.00	1,000,000	1,000,000	0.00
Diesel truck idling reduction grant administration	71,000	1.00	79,800	79,800	1.00
PECFA awards (petroleum environmental cleanup fund award)	9,100,000	0.00	4,550,000	4,550,000	0.00
Removal of underground petroleum storage tanks	100,000	0.00	100,000	100,000	0.00
PECFA administration	2,470,600	22.80	2,645,100	2,645,100	20.80
Subtotal SEG	$17,936,100	67.30	$13,744,600	$13,744,600	66.30
Total Safety and Buildings and Environmental Regulatory Services	$54,687,300	249.70	$49,557,000	$49,557,000	217.90

Transfer of Program Assets, Employees, and Matters. Provide that the assets, liabilities, tangible personal property, and records of Commerce primarily related to the functions of the Division of Safety and Buildings and the Division of Environmental Regulatory Services, as determined by the Secretary of DOA, would become the assets, liabilities, property, and records of DSPS. Transfer any matter pending with the two Commerce Divisions on the effective date of the bill to DSPS. Require that any materials submitted to or actions taken by Commerce with respect to the pending matters would be considered as having been submitted to or taken by DSPS.

Specify that all contracts entered into by Commerce before the effective date of the bill that are related to the Division of Safety and Buildings and the Division of Environmental Regulatory Services, as determined by the Secretary of DOA, remain in effect on the effective date of the bill and are transferred to DSPS. Require DSPS to carry out any obligations under the contract until the contract is modified or rescinded by DSPS to the extent allowed under the contract.

Require that all rules promulgated by Commerce that are in effect on the effective date of the bill and that are primarily related to the functions of the Division of Safety and Buildings and the Division of Environmental Regulatory Services, as determined by the Secretary of DOA, remain in effect until their specified expiration dates or until amended or repealed by DSPS.

Provide that all positions and all incumbent employees holding those positions in Commerce performing duties primarily related to the functions of the Division of Safety and Buildings and the Division of Environmental Regulatory Services, as determined by the Secretary of DOA, are transferred to DSPS on the effective date of the bill. Employees transferred under the provision would have the same rights and status related to state employment relations under Chapters 111 and 230 of the statutes. Transferred employees who have attained permanent status would not be required to serve a probationary period.

Unclassified Positions. Authorize DSPS to employ seven unclassified division administrators, and eliminate the current authorization for four unclassified division administrators under DRL. (The bill does not repeal the authorization for six Commerce division administrators, and would need to be amended to do so under the elimination of Commerce.) Increase the number of unclassified bureau directors in DSPS from to 10, from the five authorized under the current DRL.

Specify that incumbents holding four bureau director positions who are transferred from classified positions in Commerce to unclassified positions in DSPS would retain protections afforded employees in the classified service related to demotion, suspension, discharge, layoff, or reduction in base pay. The positions include: (a) director of the bureau of petroleum environmental cleanup fund administration in the Division of Environmental and Regulatory Services; (b) director of the bureau of petroleum products and tanks in the Division of Environmental and Regulatory Services; (c) director of the bureau of integrated services in the Division of Safety and Buildings; and (d) director of the bureau of program development in the Division of Safety and Buildings.

Transfer Councils and Memberships. Transfer the following statutorily designated councils and boards from Commerce to DSPS: (a) Building Inspector Review Board; (b) Dwelling Code Council; (c) Contractor Certification Council; (d) Plumbers Council; (e) Automatic Fire Sprinkler System Contractors and Journeymen Council; (f) Multifamily Dwelling Code Council; (g) Manufactured Housing Code Council; (h) Conveyance Safety Code Council; (i) Thermal System Insulation Council; and (j) Small Business Environmental Council.

Transfer memberships on the following entities from Commerce to DSPS: (a) Waste Facility Siting Board; (b) Groundwater Coordinating Council; and (c) Indoor Environmental Quality in Schools Task Force.

Other Program Changes. Make changes to specified programs or appropriations as follows:

Amend Chapter 101, 145, and 167, and any other statutes related to regulation of industry, buildings and safety, so that all references to the Department of Commerce would be to the Department of Safety and Professional Services.

Decrease the PECFA (petroleum environmental cleanup fund award) appropriation by \$4,550,000, from \$9,100,000 to \$4,550,000 SEG from the petroleum inspection fund annually. The PECFA program reimburses owners for a portion of the cleanup costs from discharges from petroleum product storage systems and home heating oil systems. The program is funded from a portion of a 2¢ per gallon petroleum inspection fee imposed on petroleum products that enter the state, including gasoline, diesel and heating oil. (Administration officials indicate the intent is to make additional petroleum inspection funds available for transfer to the transportation fund, summarized under DOT.)

Decrease the private sewage system replacement and rehabilitation grant program appropriation by \$476,400, from \$2,815,000 to \$2,338,600 GPR annually. (Administration officials indicate the \$476,400 is part of the GPR appropriation provided to WEDC.)

Transfer the diesel truck idling reduction grant program from Commerce to DSPS. Delete the requirements that: (a) recipients of grants for more than one idling reduction unit purchase idling reduction units of more than one type and from more than one manufacturer; and (b) the Department withhold payment of at least 20 percent of a grant until the recipient has complied with grant conditions established by the Department, including providing information to the Department relating to the operation and performance of each idling reduction unit covered by the grant. The program provides grants to freight motor carriers headquartered in Wisconsin to purchase and install idling reduction units for truck tractors to provide alternate sources of heat, air conditioning, or electricity to the truck while it is stationary, in order to reduce idling of the truck engine.

Regulation of Thermal Insulation Installation. Repeal, instead of transfer to DSPS, the s. 101.136 requirement that Commerce regulate installation of thermal system insulation. Thermal system insulation is any product used in a heating, ventilating, cooling, plumbing, or refrigeration system to insulate any hot or cold surface, including a pipe, duct, valve, boiler, flue, or tank, or equipment on or in a building (commercial, industrial, or residential building with four or more dwellings). In 2009 Act 16, the program was created to require: (a) Commerce to promulgate administrative rules establishing standards for the installation and maintenance of thermal system insulation; (b) thermal system insulation in buildings to conform to the standards as of February 1, 2011; (c) Commerce to employ a state thermal system insulation inspector with specified inspection duties; (d) Commerce to promulgate rules with requirements for the licensing of mechanics who install or maintain thermal system insulation, including payment of fees, and training and continuing education; (e) Commerce to promulgate rules with procedures for assessment of forfeitures for violations of the program; and (f) beginning on July 1, 2011, for persons who install or maintain thermal system insulation to be a mechanic licensed by Commerce. Commerce administrative rules for the program were effective February 1, 2011. Commerce estimates program revenue from the fees under current law would be approximately \$41,000 in 2011-12 and \$98,000 in 2012-13.

Transfer the Thermal System Insulation Council created under s. 15.157(15) to DSPS. The bill would delete the duties of the Council and the thermal system insulation inspector designated under s. 101.136 who serves under s. 15.157(15) as a nonvoting secretary of the Council. The thermal system insulation inspector position and associated funding is deleted under elimination of long-term vacancies. (Under 2009 Act 16, \$78,100 PR and 1.0 position annually were provided for the inspector position.)

Reallocation of Funds within DSPS. Authorize the Secretary of DOA to reallocate funding within DSPS by transferring moneys from any DSPS appropriation to any other DSPS appropriation before July 1, 2013. Authorize the Secretary to increase or decrease the amounts for any appropriation in the appropriations schedule under section 20.165 (DSPS), if necessary to reallocate funding in accordance with the transfer of functions or personnel from Commerce to DSPS. Prohibit the DOA Secretary from adjusting the appropriation amounts in a way that increases the total amounts appropriated to exceed the totals in the appropriation schedule for DSPS on the effective date of the bill. Require the DOA Secretary to submit a report to the Joint Committee on Finance before July 1, 2013, that identifies the actions taken by the Secretary under this provision. Under current law, transfers of monies between appropriations requires legislation, or the approval of the Joint Committee on Finance under s.13.101 or s. 16.515.

Locations of Certain Circuit Court Actions. Specify that if, under current law (s. 227.59), a judicial appeal of a Commerce administrative order is required to be taken in the Circuit Court of Dane County, and can not be moved to the county of the residence or business of the petitioner, under the bill the provision instead would apply to DSPS. Section 227.53(1)(a)3 generally establishes the venue for proceedings of a judicial appeal of a state agency administrative decision as the county in which the petitioner resides, or where the property affected by the decision is located. This section would not be modified by the bill.

Bodily Harm or Threat to Department Employees. Specify that whoever intentionally causes, or threatens to cause, bodily harm to any DSPS (rather than Commerce currently) employee, official or agent ("employee"), or his or her family, is guilty of a Class H felony (a fine up to $10,000 and/or imprisonment up to six years), if: (a) at the time the person caused or threatened harm, knows or should have known the victim is a DSPS employee or family member; (b) the DSPS employee was acting in an official capacity at the time of the act of bodily harm or threat, or the act or threat was in response to an action taken in an official capacity; and (c) the DSPS employee did not consent to the harm or threat. Current law applies to Commerce officials but not to Regulation and Licensing employees. Under the bill, the provision would apply to Commerce employees who are transferred to DSPS and also to current DRL employees who would continue in their current capacity in the renamed DSPS. Under the bill, Commerce employees who are currently protected by the provision, but who are hired by WEDC or WHEDA, would no longer be protected by the provision.

[Bill Sections: 68, 73, 92, 98, 110 thru 114, 116 thru 121, 125, 126, 334, 447 thru 476, 585, 586, 890, 916, 920, 1306, 1333, 1386, 1649, 1650, 1653, 1654, 1660, 1670, 1683, 1691, 1693, 1694, 1696, 1715, 1746, 1747, 1879 thru 1881, 2009 thru 2011, 2120 thru 2122, 2178, 2308, 2312 thru 2330, 2333, 2338 thru 2389, 2398 thru 2402, 2446 thru 2449, 2472, 2473, 2638 thru 2646, 2670, 2673 thru 2675, 2677, 2687 thru 2696, 2699 thru 2702, 2705, 2712, 2716 thru 2718, 2735 thru 2737, 2740, 2757, 2760, 2765, 2782, 2855 thru 2858, 2874, 2880, 2881, 2883, 2884, 2886 thru 2889, 2896, 2906 thru 2912, 2924, 2929, 2952, 2986, 2988, 2990, 2992, 2994, 3186, 3187, 3211, 3335 thru 3338, 3467, 3472, 3475, 3501, 3502, 3529 thru 3531, 3561, and 9110(3)&(5)]

12. ELIMINATE HOUSING POSITIONS AND TRANSFER HOUSING PROGRAMS TO WHEDA

	Funding	Positions
GPR	- $10,126,000	- 4.95
FED	- 69,264,800	- 13.95
PR	- 2,027,400	0.00
Total	- $81,418,200	- 18.90

Governor: Delete $5,063,000 GPR and 4.95 GPR positions, $1,013,700 PR, $34,632,400 FED and 13.95 FED positions annually and transfer the housing programs to WHEDA. WHEDA would be provided with the same amount of funding that would be eliminated under Commerce for administration and housing assistance programs. The position authority and incumbents holding the positions would not be transferred to WHEDA under the bill. As an authority, WHEDA is not a state agency and the state does not control staffing levels at WHEDA. However, Administration and Commerce officials have indicated that it is expected that incumbent Commerce housing staff will be offered positions with WHEDA or the Wisconsin Economic Development Corporation, or will be transferred to the Department of Safety and Professional Services (DSPS).

Current Responsibilities. Commerce currently administers several state and federally-funded programs that provide housing services to low- and moderate-income households and targeted populations such as homeless persons. The Department awards state and federal funds to local governments, housing organizations, and local housing authorities, and coordinates state housing policy and resources. Commerce responsibilities include: (a) support local organizations that provide services to help low- and moderate-income persons acquire stable living arrangements; (b) develop and sustain local capacity to provide short-term emergency shelter to homeless persons; (c) maintain a statewide centralized collection of information that links providers of affordable housing and housing support services to persons who need them; (d) maintain the state's databases relating to affordable rental housing, homelessness, and homeless services; (e) provide financial assistance for rehabilitation of housing occupied by low- and moderate-income renters and homeowners; (f) provide financial assistance with home purchase and foreclosure prevention; (g) help communities and low- to moderate-income families recover from damage from natural disasters; (h) develop state housing policy and coordinate housing programs with other state and local housing and community development agencies by making annual updates to a comprehensive five-year federally-required housing strategy plan; (i) provide information to local organizations about affordable housing resources; and (j) prepare reports on bills that are introduced in the Legislature directly or substantially affecting the development, construction, cost or availability of housing in the state.

Commerce administers programs with a combination of GPR, PR and FED funds. State funds provide the following types of assistance: (a) help homebuyers purchase an affordable home by providing assistance with down payment and closing costs; (b) provide grants to local organizations to operate homeless shelters and transitional housing and to provide associated supportive services for homeless persons; and (c) fund homeless prevention and critical assistance programs to help renters retain housing and homeowners prevent foreclosure. Federal funds granted by the U.S. Department of Housing and Urban Development (HUD) include: (a) the Home Investment Partnerships Program (HOME) to support homeownership, owner-occupied housing repairs, owner-occupied accessibility improvements, rental rehabilitation, rental housing development, and rental assistance; (b) grants to local governments or agencies to operate emergency shelters, as the HUD-designated Wisconsin agency for administering the distribution of federal funds under the Stewart B. McKinney Homeless Assistance Act; (c) Community Development Block Grant – housing rehabilitation funds to support grants to municipalities for housing rehabilitation, acquisition, relocation, handicapped accessibility improvements, and home ownership assistance; (d) the Neighborhood Stabilization Program to provide emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties; (e) the Homelessness Prevention and Rapid Re-Housing Program to provide financial assistance and services to prevent households from becoming homeless and to help homeless households quickly obtain housing; (f) lead hazard control grants to eliminate lead-based paint hazards from homes occupied by low-income families with children under age six; (g) Housing Opportunities for Persons with AIDS funds; and (h) Projects for Assistance in Transition from Homelessness funds to help local agencies provide housing services to people who have serious mental illness and are homeless.

Transfer of Funds. The following table shows the housing program appropriations, base funding under Commerce, and funding appropriated to WHEDA under the bill. Other summary entries under Commerce describe actions taken under the bill related to standard budget adjustments, employee contributions for pension and health insurance, and elimination of long-term vacancies before the housing programs are transferred to WHEDA.

Housing Program Appropriations,
Commerce Base Funding and Funding Transferred to WHEDA

Appropriation Name	Commerce 2010-11 Base Funding	WHEDA 2011-12 Appropriation	WHEDA 2012-13 Appropriation
Administration			
General program operations - general fund	$574,400	$509,400	$509,400
General program operations - federal revenues*	1,285,300	1,632,400	1,632,400
Subtotal -- Administration	$1,859,700	$2,141,800	$2,141,800
Housing Programs			
General Fund			
Housing grants and loans	$3,097,800	$3,097,800	$3,097,800
Shelter for homeless and transitional housing grants	1,413,600	1,413,600	1,413,600
Mental health for homeless individuals (Projects for Assistance in the Transition from Homelessness)	42,200	42,200	42,200
Subtotal -- GPR	$4,553,600	$4,553,600	$4,553,600
Program Revenues			
Funding for the homeless - Interest on real estate trust accounts (IBRETA)	$469,300	$422,400	$422,400
Housing program services - Payments from other state agencies	469,300	422,400	422,400
Housing program services - Payments from non-state agency entities	187,700	168,900	168,900
Subtotal -- PR	$1,126,300	$1,013,700	$1,013,700
Federal Revenues			
Housing - federal aid, local assistance*	$10,000,000	$10,000,000	$10,000,000
Housing - federal aid, individuals and organizations*	23,000,000	23,000,000	23,000,000
Subtotal -- FED	$33,000,000	$33,000,000	$33,000,000
Subtotal Housing Assistance Programs	$38,679,900	$38,567,300	$38,567,300
Total Housing Administration and Assistance	$40,539,600	$40,709,100	$40,709,100

* Federal appropriations are estimates of amounts available.

Transfers of Program Assets. Specify that the assets, liabilities, tangible personal property, and records of Commerce related to the transferred housing programs, as determined by the Secretary of DOA, shall become the assets, liabilities, property, and records of WHEDA on the effective date of the bill.

Specify that all contracts entered into by Commerce before the effective date of the bill that are related to the transferred housing programs, as determined by the Secretary of DOA, remain in effect on the effective date of the bill and are transferred to WHEDA. Require WHEDA to carry out any obligations under the contract until the contract is modified or rescinded by WHEDA to the extent allowed under the contract. Require DOA to ensure performance of a duty or satisfaction of an obligation transferred from Commerce to WHEDA if WHEDA fails to perform the duty or satisfy the obligation.

Transfers of Other Statutory Requirements. Transfer, from Commerce to WHEDA, the requirement to prepare a comprehensive five-year state housing strategy plan. Require WHEDA, rather than Commerce, to: (a) submit the plan to the U.S. Department of Housing and Community Development; (b) include specific information in the plan such as the state's housing policies and recommendations, discussion of major housing issues, evaluation of housing conditions and housing assistance needs in the state, and strategies for utilizing federal funding and coordinating federal and state housing efforts; (c) annually update the plan; and (d) annually submit the plan to the Governor and Legislature.

Transfer, from Commerce to WHEDA, the requirement to prepare a report on the effect of any bill introduced in the Legislature affecting the development, construction, cost or availability of housing in the state. Require WHEDA, rather than Commerce, to include information in the report about the effect of the bill on housing costs, the state housing strategy plan, the cost of constructing and rehabilitating housing, and on low- and moderate-income households. Delete a similar requirement that Commerce issue a report on administrative rule proposals that affect housing (described below).

Transfer, from Commerce to WHEDA, the requirement to collect from real estate brokers and salespersons any earnings on interest-bearing real estate trust accounts (IBRETA) that hold client funds. Authorize WHEDA and DSPS, rather than Commerce and the Department of Regulation and Licensing currently, to examine and audit these accounts. Currently, real estate brokers and salespersons deposit down payments, earnest money, and similar types of real estate payments in a pooled interest-bearing trust account, and pay the amount in excess of $10, less service charges or fees, to Commerce. Commerce uses the IBRETA earnings to supplement grants made under the transitional housing, state shelter, and homeless prevention program. The requirements for real estate brokers and salespersons (other than where funds are transmitted) would remain the same. WHEDA, rather than Commerce, would make grants under the program.

Provisions Repealed Rather Than Transferred to WHEDA. Repeal requirements related to use of surplus state-owned real property under s. 560.9810, which currently require: (a) Commerce to petition the head of any state agency having jurisdiction over real property that Commerce determines to be suitable for surplus; (b) the head of the state agency having jurisdiction over the property to notify Commerce in writing whether or not the agency considers the property to be surplus; (c) if the state agency considers the property to be surplus, and if Commerce determines the property is suitable, the state agency shall transfer the property, without payment, to Commerce for purposes of transferring to an applicant; (d) Commerce to be authorized to transfer the property to an applicant under a written agreement that includes a provision that the applicant agrees to pay Commerce an amount to utilize the real property in conformance with the agreement; (e) Commerce to record the agreement with the Register of Deeds for the county in which the property is located; and (f) that these surplus property provisions do not apply to property that is authorized to be sold by DOA under s. 16.848 (general sale of surplus properties provisions).

Repeal the requirement that if an agency proposes an administrative rule that directly or substantially affects the development, construction, cost, or availability of housing in the state, Commerce would be required to prepare a report about the effect of the proposed rule on housing before the rule is submitted to the Legislative Council staff for review. Currently, Commerce is required to prepare the report within 30 days after the rule is submitted to Commerce. The report is required to contain information about the effect of the proposed rule on: (a) the policies, strategies and recommendations of the state housing strategy plan: (b) the cost of constructing, rehabilitating, improving or maintaining single family or multifamily dwellings; (c) the purchase price of housing; (d) the cost and availability of financing to purchase or develop housing; and (e) housing costs. Commerce is also required to include an analysis in the report of the impact of the proposed rule on low- and moderate-income households.

[Bill Sections: 19 thru 26, 214, 434 thru 446, 716, 856, 1648, 1664, 2227 thru 2229, 2238, 2433, 2713, 2730, 2739, 2821 thru 2823, 2826, 2827, 2895, 3268 thru 3275, 3449 thru 3462, 3474, 3540, and 9110(1)]

13. TRANSFER ADMINISTRATION OF THE DAIRY MANUFACTURING FACILITY INVESTMENT TAX CREDIT AND DAIRY 2020 PROGRAM TO AGRICULTURE, TRADE AND CONSUMER PROTECTION.

Governor: Transfer administration of the manufacturing facility investment tax credit and the Dairy 2020 program from Commerce to the Department of Agriculture, Trade and Consumer Protection (DATCP).

Transfer of Program Property and Rules. The bill would provide that the tangible personal property and records of Commerce primarily related to the functions of Commerce with respect to the dairy manufacturing facility investment tax credit, as determined by the Secretary of Administration, would become the tangible personal property and records of DATCP. All rules promulgated by Commerce that were in effect on the effective date of the bill related to the manufacturing facility investment tax credit would remain in effect until their specified expiration date or until amended or repealed by DATCP.

The refundable dairy manufacturing facility investment tax credit, is equal to 10% of the amount paid in a tax year by a claimant for modernization or expansion related to the claimant's dairy manufacturing operation. The credit can also be claimed for eligible investments made by dairy cooperatives. The total amounts of tax credits that can be claimed is limited to $700,000 annually for cooperative members and $700,000 annually for other entities. Commerce is required to certify taxpayers, allocate tax credits, and verify credit claims.

The Dairy 2020 Initiative was organized to identify opportunities for strengthening the dairy industry and to develop specific strategies to increase dairy farm profitability and dairy industry competitiveness. The initiative is designed to bring together representatives from dairy industry, producers and processors, supporting industries, state government, and the UW System to identify industry objectives and develop strategies for achieving them. Commerce, along with the Department of Agriculture, Trade and Consumer Protection, and the UW are the lead state agencies in the initiative. The Dairy 2020 Initiative consists of three components: (a) the Dairy 2020 Council is comprised of dairy producers, industry representatives, legislators and public representatives; (b) the Dairy 2020 early planning grant program administered by the Wisconsin Enterprise Network, with funding from Commerce; and (c) the Milk Volume Production program to provide qualifying dairy producers with financing to fill the equity gap, and partner with local communities to increase dairy production in Wisconsin. The program is primarily funded through the federal Community Development Block Grant economic development program.

[Bill Sections: 1822 thru 1827, 1959 thru 1964, 2071 thru 2076, 3369, and 9110(7)]

14. TRANSFER ADMINISTRATION OF FILM TAX CREDITS TO TOURISM

Governor: Transfer administration of the film production tax credits from Commerce to the Department of Tourism. The bill would provide Tourism with rule-making authority to administer the tax credit.

Provisions of 2005 Wisconsin Act 483 created both a film production services tax credit and a film production company investment tax credit. The film production services tax credit is refundable and equal to 25% of: (a) salaries, wages, and/or labor-related contract payments to all individuals, including actors, who are Wisconsin residents that work on an accredited production in Wisconsin; and (b) non-labor production expenses incurred in Wisconsin to produce an accredited production. The film production company investment tax credit is refundable and equal to 15% of: (a) the purchase price of depreciable, tangible personal property and items, property and goods, if the sale of such property and goods is sourced to Wisconsin; and (b) the amount expended to construct, rehabilitate, remodel, or repair real property. Commerce is required to accredit a production as eligible, determine the eligible amount of production expenditures, including resident salary and wages and sales and use taxes, and certify film production company expenses for the purpose of claiming the film production tax credits. The maximum amount of film production tax credits that can be claimed in a fiscal year is $500,000.

[Bill Sections: 1874 thru 1876, 2004 thru 2007, 2115 thru 2118, and 3368]

CORRECTIONS

	Budget Summary					FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$1,145,678,800	$1,092,180,900	$1,155,644,500	- $43,532,200	- 1.9%	9,679.57	9,654.22	9,654.22	- 25.35	- 0.3%
FED	2,809,300	2,645,700	2,590,400	- 382,500	- 6.8	3.00	0.00	0.00	- 3.00	- 100.0
PR	150,218,200	113,814,100	114,283,200	- 72,339,100	- 24.1	909.65	606.15	598.15	- 311.50	- 34.2
SEG	313,400	257,500	257,500	- 111,800	- 17.8	2.00	1.00	1.00	- 1.00	- 50.0
TOTAL	$1,299,019,700	$1,208,898,200	$1,272,775,600	- $116,365,600	- 4.5%	10,594.22	10,261.37	10,253.37	- 340.85	- 3.2%

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$109,984,000	0.00
FED	- 381,800	- 3.00
PR	11,162,200	- 8.00
SEG	- 2,600	0.00
Total	$120,761,800	- 11.00

Governor: Provide $54,992,000 GPR, -$162,900 FED and -3.0 FED positions, $5,810,700 PR, and -$1,300 SEG in 2011-12, and $54,992,000 GPR, -$218,900 FED, $5,351,500 PR and -8.0 PR positions, and -$1,300 SEG in 2012-13 for the following adjustments to the base budget: (a) turnover reduction (-$10,426,400 GPR, and -$752,800 PR annually); (b) removal of noncontinuing items (-$609,700 GPR, -$168,000 FED and -3.0 FED positions in 2011-12, -$609,700 GPR, -$224,000 FED and -3.00 FED positions, and -$459,200 PR and -8.00 PR positions in 2012-13); (c) full funding of salaries and fringe benefits ($18,694,900 GPR, $4,600 FED, $2,988,600 PR, and -$1,300 SEG annually); and (d) night and weekend differential ($8,443,800 GPR, $500 FED, and $698,000 PR annually). In addition, request overtime of $38,889,400 GPR and $2,876,900 PR annually. In the calculation of full funding of salaries and fringe benefits, costs associated with overtime are removed. Thus, the overtime amounts represent the estimated total cost for overtime. In 2010-11, $30,460,000 was budgeted for corrections overtime costs.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $77,716,400
FED	- 700
PR	- 7,558,000
SEG	- 10,800
Total	- $85,285,900

Governor: Delete $42,643,300 in 2011-12 and $42,642,600 in

2012-13 to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $38,858,200 GPR, $3,779,000 PR, and $5,400 SEG annually, and $700 FED in 2011-12. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $7,874,000	- 67.95
PR	- 639,200	- 6.50
SEG	- 98,400	- 1.00
Total	- $8,611,600	- 75.45

Governor: Delete $4,305,800 (all funds) and 75.45 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $3,937,000 GPR and 67.95 GPR positions, $319,600 PR and 6.5 PR positions, and $49,200 SEG and 1.0 SEG positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. DEBT SERVICE REESTIMATE

GPR	$47,039,600
PR	- 678,200
Total	$46,361,400

Governor: Provide funding of $22,789,800 GPR and -$341,500 PR in 2011-12 and $24,249,800 GPR and -$336,700 PR in 2012-13 to reflect the current law reestimate of GPR debt services costs on state general obligation bonds and commercial paper debt issued for the Department, and reestimated PR debt service. The reestimates include: (a) adult corrections, $21,461,600 in 2011-12 and $22,737,100 in 2012-13; (b) prison industries, -$341,500 PR in 2011-12 and -$336,700 PR in 2012-13; and (c) juvenile corrections, $1,328,200 in 2011-12 and $1,512,700 in 2012-13.

5. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $60,102,200

Governor: Decrease funding by $62,864,700 in 2011-12 and increase funding by $2,762,500 in 2012-13 to the reflect the changes estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal repayment. (See "Building Commission" for additional information regarding this provision.)

6. RENT

GPR	$758,600
PR	104,700
Total	$863,300

Governor: Provide $216,000 GPR and $26,900 PR in 2011-12, and $542,600 GPR and $77,800 PR in 2012-13 for rental costs on a departmentwide basis. Funding would be as follows: (a) Division of Management Services (-$326,800 GPR and $29,800 PR in 2011-12 and -$199,800 GPR and $49,200 PR in 2012-13); (b) Division of Adult Institutions (-$500 GPR and $9,900 PR in 2011-12 and -$500 GPR and $16,600 PR in 2012-13); (c) Division of Community Corrections ($544,100 GPR and $1,300 PR in 2011-12 and $743,500 GPR and $2,600 PR in 2012-13); (d) Secretary's Office (-$500 GPR annually); (e) Earned Release Review Commission (-$500 annually); and (f) Division of Juvenile Corrections ($200 GPR and -$14,100 PR in 2011-12 and $400 GPR and $9,400 PR in 2012-13).

7. TRANSFER FUNDING AND POSITIONS WITHIN DIVISION OF MANAGEMENT SERVICES

GPR	- $7,000

Governor: Reduce funding by $200 in 2011-12 and $6,800 in 2012-13 associated with transferring funding and positions between bureaus within the Division of Management Services (DMS). Under the bill, funding within DMS would be adjusted as follows: (a) DMS central office, -$125,400 in 2011-12 and -$132,000 in 2012-13 and -1.0 position annually; (b) Bureau of Personnel and Human Resources, -$39,100 and -1.0 position annually; and (c) Bureau of Budget and Facilities Management, $164,300 and 2.0 positions annually.

8. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 3.0 GPR classified positions and provide 3.0 GPR unclassified positions under the Department's general program operations appropriation.

Under 2011 Wisconsin Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) will be moved from classified to unclassified service within the specified agencies. The revised unclassified positions were renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions are at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of 2010 Wisconsin Act 10 in regards to the transfer of classified positions to unclassified positions.

9. REALIGNMENT AND REORGANIZATION OF FUNDING AND POSITIONS

Governor: Provide the transfer of GPR funding and positions between appropriations related to realignment, including: (a) $276,100 GPR and 3.0 GPR positions annually for the Department's general program operations appropriation; (b) -$276,100 GPR and -3.0 GPR positions annually from the services for community corrections appropriation; and (c) within the Becky Young Community Corrections appropriation, -$840,700 GPR annually from the Division of Adult Institutions and $840,700 GPR annually to the Secretary's Office.

In addition, request the following transfers between appropriations related to reorganization: (a) $13,321,000 PR from the Bureau of Finance and Administrative Services to the Bureau of Correctional Enterprises related to supplies and services and LTE staffing funding for the Department's central warehouse; and (b) $20,000 GPR in supplies and services related to infirmary from the Dodge Correctional Institution to the Bureau of Health Services.

10. CHANGE THE ADULT GENERAL PROGRAM OPERATIONS APPROPRIATION FROM AN ANNUAL TO BIENNIAL APPROPRIATION

Governor: Change the Department's adult general program operations appropriation [s.20.410(1)(a)] from an annual appropriation to a biennial appropriation. By statute, annual appropriations are expendable only up to the amount shown in the appropriation schedule for the fiscal year in which the appropriation is made. At the end of the fiscal year, the unencumbered balances revert to the fund from which appropriated (in the case of Corrections' general program operations appropriation, this would be the general fund). For biennial appropriations, dollar amounts shown in schedule are the most reliable estimates of the amounts to be spent each fiscal year. However, unlike annual appropriations, unencumbered balances at the end of the first fiscal year of the biennium are transferred to the amounts for the second year of the biennium. At the end of the biennium, an unencumbered balances revert to the fund from which appropriated.

The bill would appropriate $698.0 million in 2011-12 and $693.5 million in 2012-13 to the Department's general program operations appropriation.

[Bill Section: 624]

11. PROGRAM REVENUE REESTIMATES

PR	- $24,751,700

Governor: Adjust program revenue estimates by -$12,468,900 in 2011-12 and -$12,282,800 in 2012-13 associated with the funding adjustments identified in the table below. The table identifies the program revenue appropriations that would be affected by this item, by program area, the base funding amounts for these appropriations, the funding changes that would be made to these appropriations under this item and other items in Corrections' budget, and the total funding that would be budgeted for these purposes under the bill.

Purpose	2010-11 Base	2011-12 Funding Adjustment	2011-12 Other Agency Adjustments	2011-12 Total	2012-13 Funding Adjustment	2012-13 Other Agency Adjustments	2012-13 Total
Prison Industries							
Badger State Industries	$21,703,800	-$6,071,000	-$331,300	$15,301,500	-$5,937,700	-$325,300	$15,440,800
Correctional Farms	5,542,900	250,000	800	5,793,700	250,000	1,400	5,794,300
Correctional Institution Enterprises							
Inmate Activities & Employment	3,714,100	-900,000	15,700	2,829,800	-900,000	15,700	2,829,800
Central Generating Plant	4,965,900	-150,000	-32,800	4,783,100	-150,000	-32,800	4,783,100
Central Warehouse	13,886,800	-4,300,000	-32,300	9,554,500	-4,300,000	-32,200	9,554,600
Sex Offenders							
Sex Offender Management	824,800	230,000	-1,000	1,053,800	230,000	-1,000	1,053,800
Sex Offender Honesty Testing	570,800	-230,000	0	340,800	-230,000	0	340,800
Home Detention Services							
Bureau of Classification & Movement	697,400	-290,700	17,600	424,300	-290,700	18,000	424,700
Restitution							
Administration of Restitution	1,156,500	-436,400	-18,200	701,900	-436,400	-17,300	702,800
Juvenile Corrections							
Fuel and Utilities	2,018,800	-570,800	-785,800	1,146,500	-518,000	-483,600	1,191,300
Total PR Reestimates		**-$12,468,900**			**-$12,751,700**		

12. PENALTY SURCHARGE REDUCTIONS

PR	- $547,200

Governor: Reduce expenditure authority by $273,200 in 2011-12 and $274,000 in 2012-13, as follows: (a) -$244,300 in 2011-12 and $245,100 in 2012-13 under the correctional officer training appropriation; and (b) -$28,900 annually under the victim services and programs appropriation. The reduction represents a 10% reduction to the appropriation after standard budget adjustments. Require all unencumbered balances in the appropriation at the end of each fiscal year to revert to the "criminal justice program support" appropriation under the Department of Justice.

[Bill Sections: 626 and 627]

Adult Institutions

1. ADULT CORRECTIONAL FACILITY POPULATIONS

Governor: Estimate an average daily population (ADP) in adult correctional facilities (correctional institutions and centers) and contract beds of 21,610 in 2011-12 and 21,217 in 2012-13. The following table identifies the estimated distribution of this population.

	March 18, 2011	Average Daily Population	
	Actual Population	2011-12	2012-13
Males			
Institutions	18,466	17,725	17,383
Centers	1,495	1,793	1,759
Wisconsin Resource Center	332	344	344
Contract Beds*	388	540	530
Females			
Women's Correctional System	1,197	1,166	1,156
Wisconsin Resource Center	n/a	42	45
Total Population	**21,878**	**21,610**	**21,217**

*Contract bed populations include inmates held in federal facilities and in Wisconsin county jails.

2. POPULATION AND INFLATIONARY COST INCREASES

GPR	$18,163,300

Governor: Provide $7,764,800 in 2011-12 and $10,398,500 in 2012-13 to reflect population-related cost adjustments for prisoners in facilities operated by the Division of Adult Institutions, as follows: (a) $1,074,700 in 2011-12 and $1,611,600 in 2012-13 for food costs; (b) $3,713,800 in 2011-12 and $3,704,200 in 2012-13 for variable nonfood costs, such as clothing, laundry, inmate wages, and other supplies; and (c) $2,976,300 in 2011-12 and $5,082,700 in 2012-13 for inmate health care. The bill assumes that the per capita annual costs for inmate health care will increase from an estimated $2,655 in 2010-11 to $2,749 in 2011-12 and to $2,845 in 2012-13. Health care costs include pharmaceutical costs, third party administrator costs, and contracting costs with the University Hospital and Clinics, the UW Medical Foundation, Waupun Memorial Hospital, and other community hospitals.

3. DIVISION OF ADULT INSTITUTIONS POPULATION MANAGEMENT

GPR	- $52,655,900

Governor: Delete $22,701,100 in 2011-12 and $29,954,800 in 2012-13 related to a projected decline in the adult prison population. Funding was calculated based on the current daily contract rate of $51.46 and assuming a reduced population of 1,208 in 2011-12 and 1,593 in 2012-13. Under this provision, funding would be reduced as follows: (a) contract beds,

-$3,766,900 in 2011-12 and -$3,756,600 in 2012-13 associated with 200 fewer contract beds; (b) food, -$4,666,100 in 2011-12 and -$7,461,100 in 2012-13; and (c) variable nonfood costs, -$14,268,100 in 2011-12 and -$18,737,100 in 2012-13.

4. FUEL AND UTILITIES REESTIMATE

GPR	- $1,446,600

Governor: Delete $1,445,100 in 2011-12 and $1,500 in 2012-13 as a result of reestimating fuel and utility costs. Current base funding for fuel and utilities in the Department is $37,017,900 annually.

5. FULL FUNDING -- FEMALE MENTAL HEALTH INITIATIVE AND FEMALE UNIT AT THE WISCONSIN RESOURCE CENTER

GPR	$381,800

Governor: Provide $190,900 annually to fully fund female mental health programs, including: (a) $166,300 annually for enhanced mental health services for female inmates at Taycheedah Correctional Institution; and (b) $24,600 annually for security staffing for the new female inmate unit at the Wisconsin Resource Center. Funding and positions for these initiatives were provided in the 2009-11 budget act. Under this provision, non-salary program costs funded for less than a full year in 2010-11, would be fully funded for the 2011-13 biennium.

Adult Community Corrections

1. BECKY YOUNG FULL FUNDING -- MENTAL HEALTH CONDITIONAL RELEASE PROGRAMS

GPR	$1,985,600

Governor: Provide $992,800 annually to fully fund a male mental health conditional release program ($580,300 annually) and a female mental health conditional release program ($412,500 annually) under the Becky Young community corrections appropriation. The male conditional release program would cost a total of $1,250,000 annually, serving an average daily population of 52 offenders. The female conditional release program would cost a total of $900,000 annually, serving an average daily population of 36 offenders.

The Becky Young community corrections appropriation funds community services established by the Department that have the goals of increasing public safety, reducing the risk of reoffending, and reducing by 2010-11 the recidivism rate of persons on probation, parole, or extended supervision for a felony conviction.

2. FULL FUNDING FOR 2009 ACT 100 -- OPERATING WHILE INTOXICATED (OWI)

GPR	$1,097,400

Governor: Provide $548,700 annually for full funding of salary and fringe benefit costs for limited-term employee (LTE) positions at the Department's monitoring center, associated with implementation of 2009 Act 100. On March 16, 2010, the Joint Committee on Finance approved $1,953,100 GPR for the supervision of second and third offense OWI offenders, including $636,300 for LTE staffing costs. Funding for staffing was provided at three-, six-, or nine-month implements in 2010-11, depending on the position. With full funding, total funding for LTE staffing would be $1,185,000 annually.

3. CONVERSION OF LIMITED-TERM EMPLOYEE MONITORING CENTER POSITIONS TO PERMANENT STATUS

	Funding	Positions
GPR	$383,900	27.60

Governor: Provide $76,800 in 2011-12 and $307,100 in 2012-13 and 27.6 positions annually to convert limited-term employee (LTE) positions to permanent positions at the Department's Division of Community Corrections' Monitoring Center. Funding assumes that staffing costs ($341,000 in 2011-12 and $1,363,700 in 2012-13) would be offset by a reduction in LTE staffing costs (-$264,200 in 2011-12 and -$1,056,600 in 2012-13). Funding for LTEs was initially provided from the Joint Committee on Finance's supplemental appropriation for funding state agency costs associated with 2009 Act 100 (modifications to the state's operating while intoxicated laws).

4. FULL FUNDING OF SEX OFFENDER MANAGEMENT COSTS

GPR	$400,200
PR	16,200
Total	$416,400

Governor: Provide $200,100 GPR and $8,100 PR annually to fully fund supplies and services costs associated with positions provided in the 2009-11 budget for the management of the Department's sex offender populations. In the 2009-11 budget, staffing and funding were provided for the Department's monitoring center, community corrections, sex offender registry, and presentence investigations. Under this provision, non-salary program costs funded for less than a full year in 2010-11, would be fully funded for the 2011-13 biennium.

5. VICTIM INFORMATION AND NOTIFICATION EVERYDAY (VINE) FUNDING

PR	$1,204,500

Governor: Provide $511,900 in 2011-12 and $692,600 in 2012-13 for the Department's Office of Victim Services and Programs to support county costs associated with the state-wide automated Victim Information and Notification Everyday (VINE) and VINE Protective Order services. The funding for VINE would be derived through revenue from the justice information system surcharge. [See "Administration -- Justice Information System Surcharge Overview" for more information.]

The Department of Corrections received a $1.2 million grant from the U.S. Department of Justice to implement a victim notification service in all Wisconsin counties and in the state Department of Health Services. Funding from the grant ends on June 30, 2011. According to the Department, funding would support continued implementation of the VINE system in all counties, and create the VINE Protective order service, which would provide timely notifications to current restraining order status information in English, Spanish, and Hmong.

[Bill Section: 625]

Sentencing Modifications

1. REPEAL AND MODIFY 2009 ACT 28 SENTENCING MODIFICATIONS

Governor: Modify the sentencing modification provisions that were created in 2009 Act 28, as follows:

Repealed Sentencing Provisions

The bill would repeal the following Act 28 sentencing modification provisions.

a. *Positive Adjustment Time.* The bill would delete "positive adjustment time," which allows certain inmates to earn earlier release from prison by not violating prison regulations and not refusing or neglecting to perform required or assigned duties.

Under the Act 28 provision, an inmate convicted of a non-violent Class F to I felony, and not considered high-risk, may earn one day of positive adjustment time for every two days served without violation of prison regulation, or refusal or neglect to perform required or assigned duties. Inmates convicted of violent Class F to I felonies, or non-violent Class F to I felonies considered high-risk, may earn one day of positive adjustment time for every three days served. Inmates convicted of Class C to E felonies may earn one day of positive adjustment time for every 5.7 days served. Individuals who are sentenced for certain offenses are excluded from positive adjustment time, including all sex offenses requiring registration with the sex offender registry.

When an inmate convicted of a non-violent Class F to I felony, and not considered high risk, is within 90 days of release to extended supervision, the Department must notify the sentencing court of its intent to modify the inmate's sentence and release the inmate to extended supervision. If the court decides to hold a review hearing, the court may accept the Department's determination, reject the Department's determination, or order the inmate to remain in prison for a period of time not exceeding the inmate's term of confinement. If the court does not hold a hearing or accepts the Department's determination, the Department must release the inmate to extended supervision.

For inmates convicted of violent Class F to I felonies, or non-violent Class F to I felonies considered high-risk, or Class C to E felonies, inmates may petition the Earned Release Review Commission (ERRC) for release to extended supervision when they have served the term of confinement portion of the sentence, less positive adjustment time earned. Within 90 days of release to extended supervision, the ERRC must notify the sentencing court of its intent to modify the inmate's sentence and release the inmate to extended supervision. If the court decides to hold a review hearing, the court may accept the ERRC's determination, reject the ERRC's determination, or order the inmate to remain in prison for a period of time not exceeding the inmate's term of confinement. If the court does not hold a hearing, or accepts the ERRC's determination, the ERRC may proceed to release the inmate to extended supervision.

If the inmate is released to extended supervision, the Department or ERRC must reduce the term of confinement in prison portion of the sentence, and increase the extended supervision portion of the sentence, so the overall sentence length does not change.

Under the bill, inmates who have already earned positive adjustment time would be allowed to petition the sentencing court to adjust the sentence if Corrections determines that the inmate has served the confinement portion of his or her sentence, less positive adjustment time earned. Within 60 days of receipt of the petition, the sentencing court could either deny the petition or hold a hearing and issue an order related to the inmate's petition. At the hearing, the court may consider: (a) the inmate's conduct in prison; (b) the inmate's level of risk of reoffending, based on a verified, objective instrument; (c) and the nature of the offense committed. If the court determines that the inmate earned positive adjustment time, the court may reduce the term of confinement in prison, less up to 30 days, and must lengthen the term of extended supervision, so the overall sentence length does not change.

Under law in existence prior to Act 28, an inmate serving a bifurcated sentence, other than for a Class B felony, may petition the sentencing court adjust his or her sentence if the inmate has served at least 75% of a Class F to I felony, or 85% of a Class C to E felony ("75%-85% bifurcated sentence modification provision"). Act 28 provided that the 75%-85% bifurcated sentence modification provision only applies to inmates serving bifurcated sentences imposed before October 1, 2009. Under the bill, the "before October 1, 2009" language would be deleted, restoring the law for inmates with sentences imposed on or after October 1, 2009. Further, the bill would provide that current inmates who petition for release under the positive adjustment time provisions described above may not petition for release under the 75%-85% bifurcated sentence modification provision.

b. *Certain Early Releases.* Act 28 provided that the Department may release inmates to extended supervision if all the following conditions are met: (a) the inmate is serving time for a non-violent Class F to I felony; (b) the prison social worker or extended supervision agent of record has reason to believe that the person will be able to maintain himself or herself while not confined without engaging in assaultive activity; and (c) the release to extended supervision date is not more than 12 months before the person's extended supervision eligibility date. If an inmate is released early, his or her term of extended supervision is increased so the overall length of sentence does not change. The bill would repeal this provision.

c. *Risk Reduction.* Act 28 created the risk reduction program which allows the court to order a person to serve a risk reduction sentence if: (a) the court determines that a risk reduction sentence is appropriate; and (b) the person agrees to cooperate in an assessment of his or her criminogenic factors and risk of reoffending, and to participate in programming or treatment the Department develops for the person. If the inmate participates in the program, and the Department determines that the inmate has completed the programming or treatment, and the inmate maintained a good conduct record during confinement, the Department must release the inmate to extended supervision when he or she has served not less than 75% of the term of confinement. Unlike the positive adjustment time or certain early release provisions, the inmate's term of extended supervision is not lengthened. As a result, an offender's overall sentence length is reduced under a risk reduction sentence. The bill would repeal this provision.

d. *Earned Release and Challenge Incarceration Programs.* Act 28 expanded the earned release program from a substance abuse treatment program to a "rehabilitation" program, and the challenge incarceration program to include not just inmates with substance abuse treatment needs, but also inmates with one or more treatment needs not related to substance use that is directly related to his or her criminal behavior. The bill would repeal these expansions and return the programs to treating eligible inmates with substance abuse treatment needs.

e. *Earned Release Review Commission.* Act 28 renamed the Parole Commission the Earned Release Review Commission (ERRC) and expanded the Commission's duties. Under law in existence prior to Act 28, the Parole Commission had authority to grant discretionary parole to inmates serving an indeterminate sentence (the felony sentencing system prior to December 31, 1999). Act 28 expanded the Commission's authority to consider petitions to adjust offenders' sentences who were convicted under the truth-in-sentencing laws on or after December 31, 1999. The bill would delete the expanded authority provided to the Commission under Act 28 and revert the Commission's name back to the Parole Commission.

f. *Extended Supervision Discharged.* Act 28 authorized the Department to discharge a person from extended supervision after he or she has served two years of extended supervision, if the person has met the conditions of extended supervision and the reduction is in the interests of justice. The bill would repeal this provision.

g. *Discharge from Probation.* Act 28 authorized the Department to modify a person's period of probation and discharge the person from probation if the person has completed 50% of his or her period of probation. The bill would delete this provision.

Modified Sentencing Provision

Further, Act 28 modified previous law related to bifurcated sentences for older inmates and inmates who have terminal conditions. Under the law prior to Act 28, an inmate serving a bifurcated sentence for a crime, other than a Class B felony, could seek to modify his or her sentence if the inmate: (a) was 65 years of age or older and served at least five years of the term of confinement; (b) was 60 years of age or older and served at least 10 years of the term of confinement; or (c) had a terminal condition. The inmate could petition the institution's program review committee for modification. The program review committee could deny the petition or approve and refer it to the sentencing court. If the sentencing court approved the petition and the inmate was released early, the term of extended supervision was increased so that the total length of the bifurcated sentence did not change.

Act 28 modified the law to allow inmates serving life sentences or Class B felonies to be eligible for release under these provisions. Further, the provision related to inmates with terminal conditions was replaced with provisions related to "extraordinary health conditions." Extraordinary health condition is defined as a condition afflicting a person, such as advanced age, infirmity, or disability of the person or a need for medical treatment or services not available within a correctional institution. In addition, inmates who meet the age and/or health criteria now petition the Earned Release Review Commission (ERRC) for sentence modification, rather than the program review committee. The ERRC, rather than the sentencing court, may modify the inmate's sentence. If the inmate is released early, the term of extended supervision is increased so that the total length of the bifurcated sentence does not change.

Under the Governor's recommendations, the Act 28 provisions would be repealed and the prior law would be restored, except that instead of terminal conditions, as provided under prior law, the bill would retain the "extraordinary health conditions" definition.

Initial Applicability Dates

The bill specifies that the provisions would first apply to persons sentenced on December 31, 1999, except for the positive adjustment time provisions, which would not apply to the positive adjustment time earned by persons who were sentenced on or after October 1, 2009, but before the effective of the bill.

Retained Sentencing Provision

The bill does not repeal all of the sentencing modification provisions provided in Act 28. Under law in existence prior to Act 28, if a person released to extended supervision violated a condition of extended supervision, the reviewing authority (the Division of hearings and Appeals in the Department of Administration or Corrections) could revoke the person's extended supervision. If revoked, the person would be returned to the sentencing court, where the court must order the person to be returned to prison for any specified period of time that does not exceed the time remaining on the bifurcated sentence. Act 28 provided that, if a person's extended supervision is revoked as a result of a violation of his or her supervision, the reviewing authority, rather than the court, will order the person to return to prison for any specified period of time that does not exceed the time remaining on the sentence. This provision is not affected by the bill.

According to the Department, 479 offenders have been released under the Act 28 provisions between the period of October 1, 2009, and March 3, 2011.

[Bill Sections: 82, 85, 100, 341, 629, 630, 806, 2759, 2995 thru 2998, 3015 thru 3082, 3485, 3486, 3511, 3535 thru 3538, 3542 thru 3546, 3553 thru 3558, 3560, and 9311(1)]

Juvenile Corrections

1. JUVENILE POPULATION ESTIMATES

Governor: Estimate the juvenile correctional facility average daily population (ADP) to be 551 annually as shown in the table below. On March 18, 2011, 350 juveniles were under state supervision in a secured correctional facility. The population projections include juveniles funded under the serious juvenile offender (SJO) program. Under the bill, the population projections in the table are used in the calculation of daily rates for each type of care.

Average Daily Population

	March 18, 2011 Actual Population*	Projected ADP 2011-12	Projected ADP 2012-13
Juvenile Detention Facilities	350	340	340
Other Placements			
Corrective Sanctions	124	136	136
Aftercare Services	59	75	75
Subtotal -- Other	183	211	211
Total ADP	533	551	551
Alternate Care*		53	53

*Alternate care actual populations not available. The ADP for alternate care through February, 2011, was 71.

The juvenile detention facilities currently include Ethan Allen School, Lincoln Hills School, Southern Oaks Girls School, the SPRITE Program, and the Mendota Juvenile Treatment Center. Under the bill, Ethan Allen School and Southern Oaks Girls School would close, and juveniles would be moved to Lincoln Hills School, where the Copper Lake School for female juveniles would be created.

Under the corrective sanctions program, juveniles are placed in the community, following a period in a secured correctional facility, and are provided with intensive surveillance. In addition, for each corrective sanctions slot, an average of not more than $3,000 annually is provided to purchase community-based treatment services.

Aftercare services include juveniles under state supervision following release from a juvenile correctional facility. Placement may be in an alternate care setting, a relative's home, or the juvenile's own home.

Alternate care includes residential care centers for children and youth, group homes, foster homes, and treatment foster homes. The average daily population for alternate care is a subset of aftercare services.

2. CLOSURE OF ETHAN ALLEN AND SOUTHERN OAKS GIRLS SCHOOL AND CREATION OF COPPER LAKE SCHOOL

	Funding	Positions
GPR	$3,510,000	15.00
PR	- 46,448,900	- 284.00
Total	- $42,938,900	- 269.00

Governor: Delete $23,281,600 PR in 2011-12 and $23,167,300 PR in 2012-13 and 284.0 positions annually associated with the Ethan Allan School (EAS) and Southern Oaks School (SOGS). Provide $1,800,000 GPR in 2011-12 and $1,710,000 GPR in 2012-13 and 15.0 GPR positions annually for ongoing maintenance of the grounds and facilities for the closed schools. According to the Governor's Budget in Brief:

> "The Department of Corrections has been unable to reduce operating expenses at juvenile correctional facilities enough to accommodate lower populations, resulting in an increasing deficit. To better manage funds and control escalation of the rates charged to counties who place juveniles in institutions, the Department will close Ethan Allen School in Waukesha County and move the juveniles to Lincoln Hills School in Lincoln County.
>
> To further maximize savings, the Department of Corrections will close Southern Oaks Girls School in Racine County and transfer the female juveniles to Copper Lake School in Lincoln Hills."

Funding in the bill would include: (a) -$22,986,500 PR in 2011-12 and -$23,048,800 PR in 2012-13 and -269.25 PR positions annually to remove all funding and positions associated with Ethan Allen School; (b) -$4,647,800 PR in 2011-12 and -$4,733,700 PR in 2012-13 and -51.10 PR positions annually to remove all funding and positions associated with Southern Oaks Girls School; (c) $4,390,300 PR in 2011-12 and $4,654,400 PR in 2012-13 and 36.35 PR positions annually associated with expanding Lincoln Hills School (LHS) and creating the Copper Lake School; and (d) $1,800,000 GPR and -$37,600 PR in 2011-12, and $1,710,000 GPR and -$39,200 PR in 2012-13, and 15.0 GPR positions annually in juvenile corrections' central office.

The positions to be provided to maintain the grounds and facilities of the closed schools ($1,800,000 GPR in 2011-12 and $1,710,000 GPR in 2012-13) would include: (a) at Ethan Allen, 5.5 youth counselors (for grounds security), 5.0 power plant operators, 1.0 steamfitter, and 1.0 building and grounds superintendent; and (b) at Southern Oaks Girls school, 1.5 youth counselors and 1.0 facilities maintenance specialist. The positions to be provided to expand the Lincoln Hills School and create the Copper Lake School ($4,390,300 PR in 2011-12 and $4,654,400 PR in 2012-13) would include: 11.5 social workers, 8.5 youth counselors, 7.1 teachers, 1.25 financial specialists, 1.0 teacher assistant, 1.0 office associate, 1.0 nurse clinician, 1.0 electronics technology security position, 1.0 facilities repair worker, 1.0 inventory control coordinator, 1.0 volunteer coordinator, 0.5 supervising youth counselor, and 0.5 advanced practice nurse.

As a result of closing the facilities, the bill would delete statutory language requiring the Department of Administration (DOA) to ensure that Ethan Allan and Southern Oaks Girls School receive technical assistance for internet educational purposes, and instead provide the requirement for the new Copper Lake School. Also, the bill would delete statutory language requiring Corrections, with the approval from the Governor and DOA, to provide group transportation, in the absence of convenient and public scheduled transportation, for employees of Ethan Allen School.

Regarding this provision, the Department of Corrections indicates: "In accordance with the DOC/DJC budget item, EAS and SOGS will be fully closed meaning all juveniles relocated to LHS and Copper Lake before July 1, 2011. Similar all staff will have moved to other positions or been laid off effective July 1, 2011, except the limited number of staff necessary to maintain both sites until such time as a determination regarding the future use or purpose of each site is made."

[Bill Sections: 337 and 804]

3. STATUTORY DAILY RATES

Governor: Under current law, daily rates for juvenile care in a given biennium are specified in statute by fiscal year for juvenile detention facilities, state aftercare supervision, and for each type of alternate care setting, including residential care centers for children and youth, group homes, treatment foster homes, and foster homes.

Under the bill, the following statutory daily rates would be established for the juvenile correctional facilities, corrective sanctions, and aftercare supervision. Further, the bill would delete the specified rates for residential care centers, group homes, treatment foster homes, and regular foster homes, and instead specify that the daily cost assessment for these placements be an amount equal to the amount the provider charges the Department.

	Statutory Rates	Governor	
	7-1-10 thru 6-30-11	7-1-11 thru 6-30-12	7-1-12 thru 6-30-13
Juvenile Correctional Facilities*	$275	$284	$289
Corrective Sanctions	103	99	100
Aftercare Supervision	41	40	40

*Including transfers from a juvenile detention facility to the Mendota Juvenile Treatment Center.

The proposed daily rates for juvenile facilities, corrective sanctions, and aftercare supervision are calculated on the basis of budgeted funding levels, anticipated average daily populations, and the number of days in the year.

[Bill Sections: 3000, 3001, and 3003 thru 3005]

4. POPULATION-RELATED COST ADJUSTMENTS

PR	- $2,968,700

Governor: Delete $1,519,900 in 2011-12 and $1,448,800 in 2012-13 to reflect population-related cost adjustments as follows: (a) -$375,900 in 2011-12 and -$363,600 in 2012-13 for food costs at juvenile correctional institutions; (b) -$216,500 annually for variable nonfood costs (such as laundry, clothing, and personal items) for institutionalized juveniles; and (c) -$927,500 in 2011-12 and -$868,700 in 2012-13 to reflect juvenile health costs.

5. ELIMINATE FUNDING AND POSITIONS FOR LONG-TERM VACANCIES

	Funding	Positions
PR	- $1,414,400	- 13.00

Governor: Reduce funding by $707,200 and 13.0 positions annually associated with long-term vacancies for the Division of Juvenile Corrections' juvenile operations, aftercare program, and corrections sanctions. The reductions would include: (a) -$442,300 and -8.5 positions annually from the Division of Juvenile Corrections' central office; (b) -$178,300 and -3.0 positions annually from the corrective sanctions program; and (c) -$86,600 and -1.5 positions annually associated with aftercare services.

6. SERIOUS JUVENILE OFFENDER FUNDING

GPR	- $7,766,300

Governor: Decrease funding by $3,429,400 in 2011-12 and $4,336,900 in 2012-13 to reflect decreased costs associated with state-funded serious juvenile offenders (SJO). The estimated average daily population (ADP) for the SJO population would be 202 in 2011-12 and 182 in 2012-13. The SJO program ADP through October, 2010, was 219 (latest information available). Base funding for the program is $18,621,600 annually. Under the bill, the following average daily populations (ADPs) for the SJO appropriation, are projected for the 2009-11 biennium:

Average Daily Population

	As of	Serious Juvenile Offenders	
Type of Care	October, 2010	2011-12	2012-13
Juvenile Detention Facilities	95	84	83
Corrective Sanctions Program	79	78	65
Aftercare Supervision	45	40	34
Total ADP	219	202	182
Alternate Care*	51	42	35

*A subset of corrective sanctions and aftercare supervision programs that includes residential care centers, group homes, treatment foster homes, and certain supplemental living arrangements.

7. YOUTH AIDS APPROPRIATION REDUCTION

GPR	- $19,668,200

Governor: Reduce community youth and family aids (youth aids) funding by $9,834,100 annually associated with a 10% reduction to supplies and other nonpersonnel costs. Revise the calendar year allocations of youth aids to reflect adjusted distributions for the 2011-13 biennium, as follows: (a) $45,478,000 from the last six months of 2011; (b) $90,956,100 for 2012; and (c) $45,478,000 for the first six months of 2013. Total youth aids funding in 2010-11 is

$100,790,200 ($98,341,000 GPR and $2,449,200 PR). Under the bill, youth aids would total $90,956,100 ($88,506,900 GPR and $2,449,200 PR) annually.

Under current law, total youth aids funding is $100,790,200 (all funds). Statutory provisions identify how specific youth aids allocations should be distributed, including: (a) youth aids funding appropriated in the biennium for distribution to counties ($75,826,300 GPR and $2,449,200 PR); (b) youth aids increases provided under 1999 Act 9 ($4,000,000 GPR), which are paid to counties according to a three-factor formula; (c) youth aids increases provided under 2001 Act 16 ($2,106,500 GPR), which are paid to counties according to the three-factor formula and an additional override factor; (d) youth aids funding earmarked for emergency funding and arrest supplements for small counties ($450,000 GPR); (e) youth aids funding earmarked for counties participating in the corrective sanctions program ($2,124,800 GPR), (f) youth aids funding earmarked for alcohol and other drug abuse treatment programs ($1,333,400 GPR; and (g) youth aids increases provided under 2007 Act 20 ($12,500,000 GPR), which are based on the proportional number of juveniles in correctional facilities during the most recent three-year period.

Repeal the federal appropriation for youth aids created in 2009 Act 28 for receipt of monies from the American Recovery and Reinvestment Act.

[Bill Sections: 634, 1282, 1288, 2999, and 3006 thru 3014]

8. ALTERNATE CARE

PR	$117,100

Governor: Modify base funding by -$65,400 in 2011-12 and $182,500 in 2012-13 for juvenile residential aftercare (alternate care) to reflect decreasing population estimates. The residential aftercare appropriation funds the costs of care for juveniles placed in residential care centers for children and youth, foster care homes, treatment foster care homes, group homes, and certain other living arrangements. Base funding for the residential aftercare appropriation is $5,514,900 (based on an estimated average daily population of 56 juveniles in 2010-11). The year-to-date ADP for alternate care (through October, 2010) is 70. Under the bill, the alternate care ADP is projected at 53 in both 2011-12 and 2012-13.

Alternative care placements include placements in residential care centers for children and youth, group homes, treatment foster homes, and foster homes. Alternate care rates are estimated under the bill by taking the actual average rates paid for each type of care for the first five months in 2010, and applying annual percentage rates of increase (5% for residential care centers for children and youth, treatment foster care, and group home placements, and 4% for foster homes) to estimate 2010-11, 2011-12, and 2012-13 average rates. The estimated 2011-12 and 2012-13 average rates and projected ADP of 53 juveniles are then used to calculate the budget recommendation for alternate care.

Under current law, a single rate for each type of alternate care is established by statute, however, facilities providing each type of care vary in the daily rates that they charge. It is then the Department's responsibility to manage these costs within the alternate care budget calculated on the basis of a single, average rate and estimated juvenile populations. The bill would delete the statutory language, establishing a rate amount for each type of alternate care, and instead provide that the daily cost assessment for these placements be an amount equal to the amount the provider charges the Department. [See Item #3 for the statutory daily rates for the applicable placements.

[Bill Sections: 3004 and 3005]

9. MENDOTA JUVENILE TREATMENT CENTER REESTIMATE

PR	$62,500

Governor: Modify statutory provisions to adjust funding by -$5,400 PR in 2011-12 and $67,900 PR in 2012-13 in the Department's juvenile correctional services appropriation for payments to the Department of Health Services' interagency and intra-agency programs appropriation, for services for juveniles placed at the Mendota Juvenile Treatment Center (MJTC). Base funding for MJTC is $1,365,500 GPR and $2,896,100 PR.

Funding in the bill assumes a need of $200,200 PR in 2011-12 and $273,500 PR in 2012-13 for MJTC services. However, as a result of funding adjustments associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage (-$205,600 PR annually), monies in the first year would be a negative amount. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

[Bill Section: 1273]

10. JUVENILE CORRECTIONAL SERVICES DEFICIT REDUCTION

Governor: Provide that to the extent that revenue generated from daily rates exceeds actual fiscal year costs, all available program revenue balances in the juvenile residential aftercare and corrective sanctions appropriations be transferred to the juvenile correctional services appropriation.

The juvenile correctional services program appropriation funds the operations of juvenile correctional facilities and certain aftercare services provided to juveniles following release from the facilities. The program revenue credited to this appropriation derives from daily rates charged for facility care that are paid by counties or the state for certain serious juvenile offenders. Since the 2000-01 fiscal year, expenditures in the appropriation have generally exceeded revenue, resulting in year-end deficits. Under the bill, any available balances from the aftercare and corrective sanctions appropriations would be transferred to address the deficit. The Department estimates the deficit balance will be $21.2 million at the end of 2010-11.

Under a separate provision, the bill sets the statutory daily rates for juvenile care. In the Budget in Brief, the Governor indicates that the proposed daily rates for the juvenile facilities include a $17 increase in each year to eliminate the deficit the appropriation over the next ten years. [See Item #3, Statutory Daily Rates"]

Add a technical cross reference to Corrections' juvenile correctional appropriations for currently authorized medical assistance case management services provided by the Department of Corrections for certain juvenile offenders.

[Bill Sections: 631 thru 633 and 3002]

COURT OF APPEALS

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$10,162,000	$10,016,400	$10,016,400	- $291,200	- 1.4%	75.50	75.50	75.50	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$630,000

Governor: Adjust the base for full funding of salaries and fringe benefits ($262,100 annually and full funding of lease and directed moves costs ($52,900 annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $921,200

Governor: Delete $460,600 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

DISTRICT ATTORNEYS

	Budget Summary					FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$42,289,100	$41,684,600	$41,684,600	- $1,209,000	- 1.4%	380.90	380.90	380.90	0.00	0.0%
PR	2,382,900	4,655,300	4,311,900	4,201,400	88.2	55.20	42.75	40.00	- 15.20	- 27.5
TOTAL	$44,672,000	$46,339,900	$45,996,500	$2,992,400	3.3%	436.10	423.65	420.90	- 15.20	- 3.5%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$3,479,200	0.00
PR	3,314,800	- 9.45
Total	$6,794,000	- 9.45

Governor: Provide standard adjustments totaling $1,739,600 GPR, $1,834,100 PR, and -6.70 PR positions in 2011-12, and $1,739,600 GPR, $1,480,700 PR, and -9.45 PR positions in 2012-13. Adjustments are for: (a) turnover reduction (-$210,500 GPR annually); (b) removal of noncontinuing elements from the base (-$150,900 PR and -6.70 PR positions in 2011-12, and -$504,300 PR and -9.45 PR positions in 2012-13); (c) full funding of continuing salaries and fringe benefits ($1,851,300 GPR and $1,985,000 PR annually); and (d) night and weekend differential ($98,800 GPR annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $4,638,600
PR	- 377,400
Total	- $5,016,000

Governor: Delete $2,319,300 GPR and $188,700 PR annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. COMPENSATION FOR ASSISTANT DISTRICT ATTORNEYS -- JUSTICE INFORMATION SYSTEM SURCHARGE

PR	$2,000,000

Governor: Create a PR annual appropriation for salaries and fringe benefits of assistance district attorneys funded at $1,000,000 annually. Funding for the appropriation would be provided from the justice information system surcharge. Require the offices of the district attorneys to work with the Office of State Employment Relations to allocate this funding. The Governor's Executive Budget Book indicates that the intent of this provision would be to increase the retention of experienced prosecutors. [See "Administration -- Justice Information System Surcharge" for additional information.]

[Bill Sections: 697 and 9113(1)]

4. AGENCY BUDGET REDUCTIONS

GPR	- $49,600

Governor: Reduce funding by $24,800 annually associated with a 10% reduction to supplies and other non-personnel costs.

5. FUNDING FOR MILWAUKEE COUNTY CLERKS

PR	- $35,600

Governor: Make the following changes to the salary and fringe benefits funding of 6.5 clerks in the Milwaukee County District Attorney's Office who provide clerical services to prosecutors handling violent crime and felony drug violation cases in Milwaukee County's speedy drug and violent crime courts, and unlawful possession or use of firearms cases: (a) provide $9,900 in 2011-12, and $19,900 in 2012-13, to fully fund the salary and fringe benefits costs associated with these positions; and (b) reduce funding by $32,700 annually associated with a 10% reduction in amounts provided to fund their salary and fringe benefits costs. For other appropriations and other agencies, this 10% reduction was typically applied to supplies and other non-personnel costs. Program revenue funding is generated from the $3.50 special prosecution clerks surcharge which is only collected in Milwaukee County. Base funding for the clerks is $327,100 annually.

6. DELETION OF GRANT-FUNDED PROSECUTORS

	Funding	Positions
PR	- $700,400	- 5.75

Governor: Delete $350,200 and 5.75 permanent, grant-funded prosecutor positions annually whose federal grant funding has been exhausted: (a) 4.0 Violence Against Women Act (VAWA) prosecutors in Milwaukee County; (b) 1.0 Federal Community Development Block Grant prosecutor in Milwaukee County; and (c) 0.75 VAWA prosecutor in Chippewa County.

EDUCATIONAL COMMUNICATIONS BOARD

	Budget Summary					FTE Position Summary				
				2011-13 Change Over Base Year Doubled					2012-13 Over 2010-11	
	2010-11	Governor					Governor			
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$7,833,300	$5,797,900	$8,010,900	- $1,857,800	- 11.9%	37.44	35.14	35.14	- 2.30	- 6.1%
FED	1,171,800	1,171,800	1,171,800	0	0.0	0.00	0.00	0.00	0.00	0.0
PR	9,713,500	9,979,400	9,979,100	531,500	2.7	24.74	21.54	21.54	- 3.20	- 12.9
TOTAL	$18,718,600	$16,949,100	$19,161,800	- $1,326,300	- 3.5%	62.18	56.68	56.68	- 5.50	- 8.8%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$478,000
PR	93,400
Total	$571,400

Governor: Adjust the base budget by $239,000 GPR and $46,700 PR annually for: (a) full funding of salaries and fringe benefits ($154,200 GPR and $1,500 PR); (b) overtime ($66,100 GPR and $10,800 PR); (c) night and weekend differential pay ($7,800 GPR and $3,000 PR); and (d) full funding of lease and directed moves costs ($10,900 GPR and $31,400 PR).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $364,800
PR	- 192,000
Total	- $556,800

Governor: Delete $278,400 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $182,400 GPR and $96,000 PR. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $263,800	- 2.30
PR	- 343,400	- 3.20
Total	- $607,200	- 5.50

Governor: Delete $303,600 (all funds) and 5.5 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $131,900 GPR and

2.3 GPR positions and $171,700 PR and 3.2 PR positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. BASE BUDGET REDUCTION

GPR	- $501,800

Governor: Delete $250,900 annually from the Educational Communication Board's general program operations appropriation. According to the administration, this reduction should be applied to administrative costs related to public radio and public television. Adjusted base level funding for this appropriation is $3,086,300.

5. ACROSS-THE-BOARD REDUCTIONS

GPR	- $243,800
PR	- 27,400
Total	- $271,200

Governor: Delete $121,900 GPR and $13,700 PR annually as part of an across-the-board reduction of most GPR and PR appropriations. The across-the-board reductions are equal to 10% of the appropriation less any amounts used to fund salary and fringe benefit costs. GPR appropriations for energy and debt service and PR appropriations for debt service and gift and grants were excluded from these across-the-board reductions. These reductions are shown by appropriation below.

Fund		Annual Appropriation	Base Less Salary and Fringes	Annual Reduction
GPR	General program operations	$3,086,300	$489,600	-$48,900
GPR	Programming	1,138,300	477,200	-47,700
GPR	Milwaukee area technical college	235,400	235,400	-23,500
GPR	Transmitter operation	17,800	17,800	-1,800
PR	Emergency weather warning system operation	146,000	136,600	-13,700

6. DEBT SERVICE REESTIMATE

GPR	$1,100,700
PR	900
Total	$1,101,600

Governor: Increase funding by $566,700 GPR and $600 PR in 2011-12 and $534,000 GPR and $300 PR in 2012-13 to reflect the current law reestimate of GPR and PR debt service on state general obligation bonds and commercial payment debt issued for the Educational Communications Board.

7. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $2,020,400

Governor: Decrease funding by $2,117,700 in 2011-12 and increase funding by $97,300 in 2012-13 to the reflect the changes in estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation

GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (See "Building Commission" for additional information regarding this provision).

8. ENERGY COSTS

GPR	- $41,900

Governor: Delete $36,300 in 2011-12 and $5,600 in 2012-13 from the appropriation for energy costs. These reductions are the sum of increases made to the appropriation to reestimate costs ($59,600 in 2011-12 and $90,300 in 2012-13) and base budget reductions (-$95,900 annually). Annual adjusted base level funding for energy costs is $761,400.

9. REESTIMATE GIFT AND GRANTS FUNDS

PR	$1,000,000

Governor: Provide $500,000 annually to reestimate the amount of gifts and grants awarded to the Educational Communications Board. Annual base level funding is $9,554,000.

EMPLOYEE TRUST FUNDS

Budget Summary						FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$671,600	$555,200	$460,600	- $327,400	- 24.4%	0.00	0.00	0.00	0.00	0.0%
SEG	30,322,200	31,345,800	30,678,600	1,380,000	2.3	243.20	249.70	249.70	6.50	2.7
TOTAL	$30,993,800	$31,901,000	$31,139,200	$1,052,600	1.7%	243.20	249.70	249.70	6.50	2.7%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	$1,838,200

Governor: Provide adjustments totaling $919,100 annually. Adjustments are for: (a) turnover reduction (-$380,100 annually); (b) removal of noncontinuing elements from the base (-$374,000 annually); (c) full funding of continuing position salaries and fringe benefits ($1,472,300 annually); (d) overtime ($47,600 annually); (e) night and weekend differential pay ($75,400 annually); and (f) full funding of lease and directed moves costs ($77,900 annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

SEG	- $2,012,200

Governor: Delete $1,006,100 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. PARTICIPANT SERVICES

	Funding	Positions
SEG	$854,000	6.50

Governor: Provide $410,600 in 2011-12 and $443,400 in 2012-13 and 6.50 positions annually for participant-service functions. The positions are intended to address the following: (a) 1.0 position for disaster recovery planning and management; (b) 1.0 position for research and management of healthcare service changes associated with the enactment of the federal Patient Protection and Affordable Care Act, as well as responsibilities for several other health-related services; (c) 1.0 position for information technology work associated with the maintenance of recently completed systems and the continued replacement of older legacy systems; (d) 2.0 positions to address increasing workload responding to participant inquires made through the Department's Call Center; and (e) 1.5 positions to assist with annuity payment services to allow more senior staff to research and assist in the design of new online services and the replacement of older legacy systems. The funding provided under the bill includes $315,600 in 2011-12 and $420,800 in 2012-13 for salary and fringe benefit costs and $95,000 in 2011-12 and $22,600 in 2012-13 for staff-related space and startup costs.

4. RETIRED EMPLOYEES BENEFIT SUPPLEMENT REESTIMATE

GPR	- $267,400

Governor: Reduce base funding by $86,400 in 2011-12 and $181,000 in 2012-13 to reflect decreased amounts necessary to pay benefit supplements for retirees who first began receiving annuities before October 1, 1974. These supplements were authorized primarily by Chapter 337, Laws of 1973, 1983 Wisconsin Act 394, and 1997 Wisconsin Act 26. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths. Current base level funding for the appropriation is $641,600.

5. DELETE BADGER RX GOLD FUNDS TO REFLECT PROGRAM TRANSFER

GPR	- $60,000

Governor: Delete $30,000 annually relating to the prescription pharmacy program BadgerRx Gold. The program allows Wisconsin residents without prescription drug coverage to purchase prescription medications covered under the formulary used for programs administered by the Group Insurance Board, at the same cost as the state. Under the program, ETF utilized its GPR contingency appropriation to advance funds equal to the anticipated rebate from the manufacturer. The general fund was reimbursed for these expenditures when the rebates were received from pharmaceutical companies. The program was transferred, effective January 1, 2011, to the Department of Health Services. The elimination of the ETF base funding reflects this transfer.

6. AUDIT OF DEPENDENT ELIGIBILITY UNDER BENEFIT PROGRAMS

SEG	$700,000

Governor: Provide $700,000 in 2011-12 in one-time funding for an audit of benefit programs administered by the Department to verify the eligibility of dependents covered under the benefit programs. [Provisions of 2011 Special Session Senate Bill 11/Assembly Bill 11 would have provided that, if ETF determines that an audit of benefit programs administered by the Department is necessary for the purpose of verifying the eligibility of dependents covered under the benefit programs, the Department must submit a written request to the Secretary of DOA to expend an amount not exceeding $700,000 SEG from ETF's administration appropriation account for the 2011–12 fiscal year to fund the cost of the audit. Special Session SB 11/AB 11 would also have provided that, if the Secretary of DOA approves the request, ETF may proceed with the audit. The Conference Committee deleted these provisions. Under the Governor's recommendation in the 2011-13 biennial budget, $700,000 would be provided for this purpose. It should be noted, however, that the intended approval process under SS SB 11/AB 11 for the use of this funding has not been enacted as of this writing.]

7. LONG-TERM CARE INSURANCE REQUIREMENT

Governor: Delete a provision that an insurance company may require the Group Insurance Board (GIB) to offer to state employees and annuitants a long-term care insurance policy. Under current law, the state must offer, through GIB, to eligible state employees and annuitants, long-term care insurance policies which have been filed with the Office of the Commissioner of Insurance and that have been approved for offering under contracts established by GIB, if the insurer requests that the policy be offered.

[Bill Sections: 1144, 1145, and 1160]

8. HIRSPA PAYMENTS NOT REQUIRED FOR SICK LEAVE CONVERSION OR SUPPLEMENTAL HEALTH CREDIT PROGRAMS

Governor: Provide that the Health Insurance Risk-Sharing Plan Authority (HIRSPA) would not be required to pay any contributions related to the accumulated sick leave conversion credit (ASLCC) program or the supplemental health insurance conversion credit (SHICC) program. Employees of HIRSPA are not eligible for these two programs.

Under current law, the ASLCC program permits state employees, upon retirement, to convert the value of accumulated unused sick leave into credits to be used to pay for the state retiree's group health insurance. At retirement, employees may continue their group health insurance, but the premium cost must be paid entirely by the retiree (there is no state contribution). Supplemental credits are provided under SHICC for long-term state employees. Under the program, an employee is credited at retirement with one hour of additional sick leave credit for each hour of unused accumulated sick leave up to a maximum of 52 hours per year for all years of service through the 24th year. For all years of continuous service beyond the 24th year, an employee will be granted one hour of additional sick leave credit for each hour of previously accumulated sick leave up to a maximum of 104 hours per year. The credits may only be used for the payment of premium costs of continued state group health insurance in retirement. The supplemental credits do not provide additional sick leave to employees.

[Bill Section: 1151]

EMPLOYMENT RELATIONS COMMISSION

Budget Summary						FTE Position Summary				
		Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	2010-11 Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$2,570,200	$2,574,800	$2,574,800	$9,200	0.2%	21.00	20.50	20.50	- 0.50	- 2.4%
PR	554,800	623,200	623,200	136,800	12.3	5.00	5.00	5.00	0.00	0.0
TOTAL	$3,125,000	$3,198,000	$3,198,000	$146,000	2.3%	26.00	25.50	25.50	- 0.50	- 1.9%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$378,000
PR	218,800
Total	$596,800

Governor: Provide adjustments to the base budget totaling $189,000 GPR and $109,400 PR annually. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits ($213,300 GPR and $109,400 PR annually); and (b) full funding of lease and directed moves costs (-$24,300 GPR annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $264,800
PR	- 59,000
Total	- $323,800

Governor: Delete $161,900 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $132,400 GPR and $29,500 PR. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. SUPPLIES AND SERVICES FUNDING REDUCTION

GPR	- $68,200
PR	- 23,000
Total	- $91,200

Governor: Delete $34,100 GPR and $11,500 PR annually from base funding for supplies and services. The agency's base GPR funding for items other than salary and benefits is $329,800 and the reduction represents 10.3% of this base funding amount. The agency's base PR funding for items other than salary and benefits is $114,800 and the reduction represents 10% of this amount.

4. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $35,800	- 0.50

Governor: Delete $17,900 and a 0.50 position annually to reflect the elimination of long-term vacant positions under the bill. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

5. CONVERT CLASSIFIED POSITION TO UNCLASSIFIED DIVISION ADMINISTRATOR POSITION

Governor: Create an unclassified division administrator position in WERC and convert 1.0 classified position to 1.0 unclassified position. According to the 2011-13 Executive Budget Summary, the intent of the provision is to convert the WERC's chief legal counsel position to unclassified status.

[Bill Sections: 2754 and 2763]

6. REPEAL OPTION FOR COMBINING SCHOOL DISTRICT COLLECTIVE BARGAINING UNITS

Governor: Repeal the provision that, upon the expiration of any collective bargaining agreement in force, WERC is required to combine into a single collective bargaining unit two or more collective bargaining units consisting of school district employees, if a majority of the employees voting in each collective bargaining unit vote to combine.

[Bill Section: 2408]

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary							FTE Position Summary
		Governor		2011-13 Change Over Base Year Doubled			
Fund	2010-11 Adjusted Base	2011-12	2012-13	Amount	%		Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.
GPR	$47,374,800	$15,874,100	$39,286,000	- $39,589,500	- 41.8%		
SEG	9,000,000	8,000,000	8,000,000	- 2,000,000	- 11.1		
TOTAL	$56,374,800	$23,874,100	$47,286,000	- $41,589,500	- 36.9%		
BR		$362,400,000					

Budget Change Items

1. GENERAL AND REVENUE OBLIGATION BONDING AUTHORITY

BR	$362,400,000

Governor: Provide an increase in bonding authority of $362.4 million for the environmental improvement fund, as shown in the following table. This includes $9.4 million in general obligation and $353 million in revenue obligation bonding authority. Revenue obligations are issued to provide financial assistance for municipal wastewater facility projects in the clean water fund program. State revenue bonds are retired primarily through repayments of program loans and issuance of general obligation bonds to pay for the state subsidy costs of low-interest loans in the clean water fund program. General obligation bonds are also issued to pay for the 20% state match to the federal capitalization grants for the clean water fund program and safe drinking water loan program.

Environmental Improvement Fund (EIF) Bonding Authority

	Current	Bill	Total
Clean water fund -- general obligation	$777,043,200	$0	$777,043,200
Clean water fund -- revenue obligation	2,363,300,000	353,000,000	2,716,300,000
Safe drinking water -- general obligation	45,400,000	9,400,000	54,800,000
Total	$3,185,743,200	$362,400,000	$3,548,143,200

The clean water fund program provides low-interest loans to municipalities for planning, designing, constructing, or replacing a wastewater treatment facility, or for nonpoint source pollution abatement or urban stormwater runoff control projects. The safe drinking water loan program provides financial assistance to municipalities for the planning, design, construction or modification of public water systems.

[Bill Sections: 781 and 2923]

2. PRESENT VALUE SUBSIDY LIMIT

Governor: Provide a "present value subsidy limit" totaling $85.1 million for the environmental improvement fund as shown in the table. The subsidy limit represents the estimated state cost, in 2011 dollars, to provide 20 years of subsidy for the projects that would be funded in the 2011-13 biennium.

EIF Present Value Subsidy Limit

	Authorized 2009-11	Bill 2011-13
Clean water fund program	$134,900,000	$54,400,000
Safe drinking water loan program	17,600,000	30,700,000
Land recycling loan program	2,700,000	0
Total	$155,200,000	$85,100,000

No present value subsidy limit is proposed for the land recycling loan program because all of the funds authorized for that program have been allocated. The land recycling loan program may provide financial assistance to certain local governments for the investigation and remediation of contaminated (brownfields) properties and for a loan to the dry cleaner environmental response fund.

[Bill Sections: 2917, 2918, 2921, and 2922]

3. DEBT SERVICE REESTIMATE

GPR	- $16,541,700
SEG	- 2,000,000
Total	- $18,541,700

Governor: Decrease funding by $7,518,000 GPR and $1,000,000 SEG in 2011-12 and $9,023,700 GPR and $1,000,000 SEG in 2012-13 to reflect the current law reestimate of GPR debt service costs on state general obligation bonds and commercial paper debt issued for the environmental improvement fund and a decrease in the use of SEG loan repayments for debt service. This would include: (a) -$8,308,700 GPR and -$1,000,000 SEG in 2011-12 and -$10,082,500 GPR and -$1,000,000 SEG in 2012-13 for the clean water fund program; and (b) $790,700 GPR in 2011-12 and $1,058,800 GPR in 2012-13 for the safe drinking water loan program.

In addition to GPR debt service payments, clean water fund program general obligation bond debt service is also paid in each year from a SEG sum certain appropriation that receives a portion of loan repayments from municipalities from loans that were originally provided from the proceeds of general obligation bonds. The land recycling loan program is funded through loan repayments of clean water fund loans made with the proceeds of federal grants to the clean water fund and does not have a separate debt service cost.

Debt service costs include the conversion of $1,000,000 annually from environmental improvement fund SEG to GPR to decrease, from $9 million to $8 million, to reflect the approximate amount of clean water fund program general obligation bond debt service paid by 50% (the maximum allowed by federal law) of the loan interest repayments received from municipalities from loans that were originally provided from the proceeds of general obligation bonds issued to provide the 20% state match to the federal grants. Under the bill, short-term GPR debt service costs would increase by $1 million annually, and the long-term effect would be to decrease the need for future issuance of general obligation bonds and revenue bonds because loan repayments would be used for clean water fund program loans instead of for debt service.

4. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $23,047,800

Governor: Decrease funding by $23,982,700 in 2011-12 and increase funding by $934,900 in 2012-13 to reflect estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. This would include: (a) -$21,684,700 in 2011-12 and $830,200 in 2012-13 for the clean water fund program; and (b) -2,298,000 in 2011-12 and $104,700 in 2012-13 for the safe drinking water loan program. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (See "Building Commission" for additional information regarding this provision.)

5. REDUCE CLEAN WATER FUND INTEREST RATE SUBSIDY AND HARDSHIP ASSISTANCE

Governor: Reduce the subsidy for most clean water fund program projects to provide an interest rate of 80% of the market rate. Loan interest rates paid by municipalities would increase from the current 60%, 65% or 70% of market rate, depending on the project type. The project types that would receive the reduced state subsidy include: (a) increase the interest rate from 60% to 80% of market rate, for compliance maintenance projects, which are projects to prevent a significant violation of an effluent limitation by a municipal sewage treatment facility; (b) increase the interest rate from 60% to 80% of market rate, for new or changed limits projects, which are projects to achieve compliance with an effluent limitation established after May 17, 1988, if the project is for a municipality that is not a violator of the specific limit that is changing; (c) increase the interest rate from 65% to 80% of market rate, for projects to abate nonpoint source pollution and to control urban storm water runoff; and (d) increase the interest rate from 70% to 80% of market rate, for projects to provide treatment facilities and sewers for unsewered areas. The market interest rate changes when the state issues bonds to finance projects under the program. The March, 2011, interest rate is 4.0%. The following table shows the effect of current law and the bill with a market interest rate of 4.0%. The change in the interest rate would apply to projects for which subsidy is allocated from the present value subsidy limit approved for the 2011-13 biennium and subsequent biennia. Projects allocated subsidy from the present value subsidy limit approved for the 2009-11 biennium would be funded with the current law interest rate.

Clean Water Fund Program Loan Interest Rates by Project Type

Project Category	Current Law Percent of Market Rate	Current Law Interest Rate	Bill Percent of Market Rate	Bill Interest Rate
Compliance maintenance/ New and changed limits	60%	2.4%	80%	3.2%
Storm water/nonpoint	65	2.6	80	3.2
Unsewered	70	2.8	80	3.2
Market Rate	100	4.0	100	4.0

Reduce the amount of present value subsidy allocated to financial hardship assistance from 15% to 5% of the total present value subsidy limit. Under the bill, up to $2.72 million (5%) of the proposed $54.4 million in clean water fund program present value subsidy limit would be available for hardship assistance. In the 2009-11 biennium, $20.2 million (15%) of the authorized $134.9 million in present value subsidy limit is available for hardship assistance. The program provides financial hardship assistance for projects where the municipality's median household income is 80% or less ($44,699 in 2008-09 through 2010-11) of the statewide median household income, and the estimated annual residential wastewater treatment charges would exceed 2% of the median household income in the municipality without hardship assistance. Assistance is provided to reduce residential wastewater user charges to 2% of the median household income, or as close to 2% as is possible with the maximum assistance. The maximum financial hardship assistance is a grant for 70% of project costs, with the remaining costs provided through a 0% interest rate loan. Financial hardship assistance is provided first in the form of a low-interest rate loan. Then, if user charges still exceed 2% of the median household income of the municipality, the program adds a grant. The bill would not affect eligibility requirements, the current subsidized interest rate, or the amount provided as a grant or loan for individual hardship financial assistance projects.

Based on the September, 2010, biennial finance plan submitted by DNR and DOA (which reflected program costs based on the current 60%, 65%, or 70% of market interest rate, and the reduction of present value subsidy limit allocated for financial hardship projects), the reduction in the state subsidy would reflect a reduction of $39.7 million in the need for general obligation bonding authority, and a reduction of $55.7 million in the need for present value subsidy limit.

While the state's costs of providing 20 years of subsidy for projects funded in the 2011-13 biennium would be expected to decrease by approximately $55.7 million, costs to municipal borrowers would increase by the same amount.

[Bill Sections: 2913 thru 2916, 2919, and 2920]

6. SAFE DRINKING WATER LIMIT ON ASSISTANCE PER MUNICIPALITY

Governor: Provide that, in any biennium, any one municipality may not receive more than 25% of the funds that DOA projects will be available for the safe drinking water loan program for that biennium. Currently, no municipality may receive more than 25% of the present value subsidy limit statutorily established in that biennium for the safe drinking water loan program.

[Bill Section: 2925]

FINANCIAL INSTITUTIONS

	Budget Summary					FTE Position Summary				
				2011-13 Change Over Base Year Doubled					2012-13 Over 2010-11	
	2010-11	Governor					Governor			
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
PR	$17,536,200	$17,606,900	$17,649,600	$184,100	0.5%	135.54	136.54	136.54	1.00	0.7%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$2,773,200

Governor: Adjust the agency's base budget for: (a) turnover reduction (-$176,200 annually); (b) full funding of continuing position salaries and fringe benefits ($1,466,600 annually); (c) reclassifications and semiautomatic pay progressions ($15,400 in 2011-12 and $37,000 in 2012-13); and (d) full funding of lease and directed moves costs ($70,000 annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH CARE

PR	- $1,232,800

Governor: Delete $616,400 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
PR	- $144,200	- 1.00

Governor: Delete $72,100 and 1.0 position annually to reflect the elimination of long-term vacant positions under the bill. The funding and position reduction is associated with a position that has been vacant for 12 months or more.

4. BUDGET REDUCTIONS

PR	-$1,458,000

Governor: Delete $729,000, annually, as part of budget adjustment efficiency measures. The reductions by appropriation are shown below:

Fund	Appropriation	Annual Reduction
PR	Investor education and training fund	-$9,400
PR	Gifts, grants, settlements, and publications	-6,500
PR	Payday loan database and financial literacy	-100,000
PR	General program operations	-570,300
PR	Credit union general program operations	-42,800
	Total	-$729,000

The reduced funding represents a cut of approximately 10% of the agency's adjusted base amount for supplies and services to the following the Department of Financial Institutions (DFI) appropriations: (a) investor education and training fund; (b) gifts, grants, settlements, and publications; and (c) payday loan database and financial literacy. The reduction to DFI's general program operations appropriation reflects a cut of approximately 4% of the adjusted base amount and reduces funding for supplies and services by $497,000, permanent property by $27,000, and unallotted reserve by $46,300, annually. The reduction to DFI's credit union general program operations appropriation reflects a cut of approximately 2.2% from the adjusted base amount and includes reduced funding of $25,900 for supplies and services, $6,900 for permanent property, and $10,000 in unallotted reserve, annually.

5. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 2.0 PR classified positions and provide 2.0 PR unclassified positions under DFI's general program operations appropriation.

Under 2011 Act 10, 38 classified positions were transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) would be moved from classified to unclassified service within specified agencies. The revised unclassified positions would be renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions would be at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of Act 10 in regards to the transfer of classified positions to unclassified positions as recommended by the Governor.

6. TRANSFER FROM THE SECRETARY OF STATE

	Funding	Positions
PR-REV	$648,200	
GPR-Earned	284,200	
PR	$114,000	1.00

Governor: Transfer $57,000 PR and 1.0 PR position from the Office of the Secretary of State (Office) to DFI, annually, and transfer the assets and liabilities of the Office's notary and trademark functions to DFI for issuing notary public commissions and registering trademarks, trade-names, and brands. Increase the amount transferred from DFI's general program operations account to the Secretary of State's general operations appropriation from $200,000 to $325,000, annually.

Notary and trademark functions that would be transferred to DFI under the bill would increase program revenue credited to the Department's general program operations appropriation by an estimated $324,100, annually. According to the administration, the proposed transfer of an additional $125,000 to the Office would replace part of the revenue that would have been credited to the Office's general operations appropriation as compared to current law. The bill would provide DFI with additional PR expenditure authority of $57,000, annually, associated with staff costs for notary and trademark functions. At the end of each year, DFI lapses most unencumbered program revenue to the general fund; therefore, it is estimated that an additional $142,100 would lapse to the general fund, annually.

[Bill Sections: 490, 754, 2310, 2605 thru 2637, and 9142(1)]

7. CREDIT UNION EXAMINER

	Funding	Positions
PR-REV	$131,900	
GPR-Earned	18,000	
PR	$131,900	1.00

Governor: Provide $55,400 in 2011-12, $76,500 in 2012-13, and 1.0 position beginning in 2011-12 to provide an additional financial examiner position to the Office of Credit Unions (OCU). This position is being created to meet statutory examination requirements and provide adequate oversight of the credit union industry. Under current law, funding for OCU is provided through fees paid by credit unions, of which OCU retains 88% of the fees and the remaining 12% is credited to the general fund. This position would be funded through an increase in assessments paid by credit unions of $63,000 in 2011-12 and $86,900 in 2012-13. General fund revenues would increase by $7,600 in 2011-12 and $10,400 in 2012-13.

8. ELIMINATE EXEMPTION FOR CERTAIN INVESTMENT ADVISOR FIRMS

PR-REV	$68,000
GPR-Earned	68,000

Governor: Eliminate the exemption from registering with DFI as an investment advisor for institutional investors that are private business development companies, qualified institutional buyers, and private business development companies with assets of more than $10 million. Eliminate the exemption from registering with DFI as an investment advisor for accredited investors that are private business development companies, trusts with assets of more than $5 million, and entities in which all of the equity owners are accredited investors. These provisions would first apply on the day after publication of the bill or October 1, 2011, whichever is later.

The federal Wall Street Reform Act and Consumer Protection Act of 2010 (Dodd-Frank Bill) increased state regulatory authority over investment adviser firms. According to DFI, provisions of the Dodd-Frank Bill are expected to increase the number of investment adviser firms under the Department's regulatory authority by between 70 and 100, which is expected to double the value of investment adviser assets regulated by the Department. DFI estimates that new registration fees paid by these additional investment adviser firms will increase revenues in DFI's general program operations appropriation by approximately $34,000, annually. At the end of each year, most unencumbered program revenue in this appropriation is lapsed to the general fund; therefore, general fund revenues would increase by a similar amount.

[Bill Sections: 3283, 3284, and 9417(1)]

9. CONSOLIDATE APPROPRIATIONS

Governor: Transfer funding and positions from the credit union general program operations appropriation to DFI's primary appropriation for general program operations, eliminate the separate appropriation for credit union general program operations, and renumber the appropriation for credit union examinations, federal funds.

[Bill Sections: 489 thru 492 and 2707]

FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary						FTE Position Summary
		Governor		2011-13 Change Over Base Year Doubled		
Fund	2010-11 Adjusted Base	2011-12	2012-13	Amount	%	There are no state authorized positions for the Fox River Navigational System Authority.
SEG	$125,400	$125,400	$125,400	$0	0.0%	

GENERAL FUND TAXES

1. GENERAL FUND TAX CHANGES

Governor: The following table shows the general fund tax changes recommended by the Governor, along with their fiscal effects in the 2011-13 biennium. The table does not include tax law changes that are estimated to have a minimal fiscal effect, or those that would not have a fiscal impact until later years.

2011-13 General Fund Tax Changes
(In Millions)

	2011-12	2012-13	2011-13 Biennium
Income and Franchise Taxes			
Capital Gains Deferral for WI Investments	-$16.10	-$20.20	-$36.30
Internal Revenue Code Update	0.23	-0.35	-0.12
Combined Reporting--Pre-2009 Losses	-9.20	-37.20	-46.40
General Sales and Use Tax			
Exemption for Modular and Manufactured Homes	-0.20	-0.26	-0.46
Total Tax Changes	-$25.27	-$58.01	-$83.28

There are several other changes recommended by the Governor that are not shown in the table. First, the budget bill would require that a specified percentage of state sales and use tax collections on sales and leases of motor vehicles and motor vehicle parts and accessories be deposited into the transportation fund rather than the general fund, beginning in 2012-13. In that year, the percentage to be deposited to the transportation fund would be 7.5% of such collections. Over the next nine years, the percentage would increase until it reached 50% in 2021-22. This provision would reduce general fund revenues by an estimated $35.1 million in 2012-13, and increase transportation fund revenues by the same amount. This item is not shown in the table because it would not affect imposition of the tax. The fiscal effect would increase significantly in future years as the percentage rises.

Second, the bill would create a new individual income tax exclusion for capital gains on certain "Wisconsin-source" capital assets that are purchased after December 31, 2010, and held for at least five years. This provision is not included in the table because it would not have a fiscal effect until the 2015-17 biennium. The administration estimates that this provision would reduce income tax revenues by $79 million annually, once fully implemented.

Finally, the table does not include proposed changes to refundable tax credits, because they are paid from appropriations rather than recorded as a reduction in tax revenues. These provisions include reestimates of the costs of existing credits, repealing indexing of the homestead tax credit, modifying the percentages used in calculating the earned income tax credit, and modifying provisions regarding eligibility for, and computation of, the refundable jobs tax credit.

Income and Franchise Taxes

1. DEFERRAL FOR CAPITAL GAIN REINVESTED IN QUALIFIED WISCONSIN BUSINESSES

GPR-Tax	- $36,300,000

Governor: Authorize claimants calculating their Wisconsin adjusted gross income to subtract from federal adjusted gross income any amount of a long-term capital gain if the claimant: (a) deposits the gain into a segregated account in a financial institution; (b) invests all of the proceeds in the account in a qualified Wisconsin business within 180 days of the sale of the asset generating the gain; and (c) notifies the Department of Revenue (DOR) that the capital gain has been reinvested and, therefore, will not be declared on the claimant's income tax return. The notification would be made on a DOR form accompanying the claimant's income tax return for the year to which the claim relates. Specify that the basis for the investment in the Wisconsin business would be calculated by subtracting the initial gain from the investment. Prohibit a claimant from using the initial gain to net capital gains and losses as otherwise allowed under current law. (State law limits the amount of capital losses that may be used to offset ordinary income to $500 annually, with the remainder carried over to future years.) Prohibit a claimant from also claiming the gain as a subtraction as a reinvestment in a qualified new business venture, under current law, or as a Wisconsin capital asset, as proposed under the bill (see Item #2, Capital Gain Exclusion for Wisconsin Capital Assets). Define "claimant" as an individual; an individual partner or member of a partnership, limited liability company (LLC), or limited liability partnership; or an individual shareholder of a tax-option corporation. Define "long-term capital gain" as the gain realized from the sale of any capital asset held more than one year that is treated as a long-term gain under the Internal Revenue Code (IRC).

Require the Wisconsin Economic Development Corporation to implement a program to certify qualified Wisconsin businesses for purposes of the capital gains deferral, and authorize the Corporation to certify businesses that apply for certification if the Corporation determines that the business meets the following criteria in the tax year immediately preceding the application: (a) the amount of payroll compensation paid by the business in Wisconsin is equal to at least 50% of the amount of all payroll compensation paid by the business; and (b) the value of real and tangible personal property owned or rented and used by the business in Wisconsin is equal to at least 50% of all such property owned or rented and used by the business. Require the Corporation to: (a) notify DOR of every Wisconsin business certified under this procedure and the date on which a certification expires or is revoked; and (b) compile a list, which is available on the Corporation's Internet Web site, of businesses certified under this procedure. Authorize the corporation, in consultation with DOR, to adopt administrative rules related to these provisions.

The proposed tax deferral would first apply for tax years beginning after December 31, 2010, and would decrease revenues by an estimated $16,100,000 in 2011-12 and $20,200,000 in 2012-13.

[Bill Sections: 1754, 1764, and 2863]

2. CAPITAL GAIN EXCLUSION FOR WISCONSIN CAPITAL ASSETS

Governor: Authorize claimants calculating their Wisconsin adjusted gross income to subtract from federal adjusted gross income the claimant's qualifying gain from the sale of a Wisconsin capital asset in the year to which the claim relates, but limit the subtraction to no more than the amount of the claimant's federal net capital gain as reported on the claimant's federal income tax return for the taxable year to which the claim relates. Limit the subtraction to Wisconsin capital assets purchased after December 31, 2010, and held for at least five years. Define "claimant" as an individual; an individual partner or member of a partnership, LLC, or limited liability partnership; or an individual shareholder of a tax-option corporation. Define "qualifying gain" as the gain realized from the sale of any asset: (a) which is a Wisconsin capital asset in the year that it is purchased by the claimant and is a Wisconsin asset for at least two of the subsequent four years; (b) that is held for at least five uninterrupted years; and (c) that is a long-term gain under the IRC. Specify that a qualifying gain may not include an amount for which the claimant claimed a subtraction as a reinvestment in a qualified new business venture. Define "Wisconsin capital asset" as: (a) real or tangible personal property that is located in this state and used in a Wisconsin business; or (b) stock or other ownership interest in a Wisconsin business. Define "Wisconsin business" as a business certified by the Wisconsin Economic Development Corporation. Modify the current law loss carry-forward provision to treat the proposed exclusion the same as other capital gains exclusions.

Require the Wisconsin Economic Development Corporation to implement a program to certify Wisconsin businesses for purposes of the capital gains subtraction, and authorize the Corporation to certify businesses that apply for certification if the Corporation determines that the business meets the following criteria in the tax year immediately preceding the application: (a) the amount of payroll compensation paid by the business in Wisconsin is equal to at least 50% of the amount of all payroll compensation paid by the business; and (b) the value of real and tangible personal property owned or rented and used by the business in Wisconsin is equal to at least 50% of all such property owned or rented and used by the business. Require the Corporation to: (a) notify DOR of every Wisconsin business certified under this procedure and the date on which a certification expires or is revoked; and (b) compile a list, which is available on the Corporation's Internet Web site, of businesses certified under this procedure. Authorize the corporation, in consultation with DOR, to adopt administrative rules related to these provisions.

[The Wisconsin Economic Development Corporation would use the same criteria to certify a "Wisconsin business" under these provisions and a "qualified Wisconsin business" under Item #1, "Deferral for Capital Gain Reinvested in Qualified Wisconsin Businesses." The administration indicates that it intended to allow a deferred gain reinvested in a qualified Wisconsin business to also be used for an investment that could qualify under this exclusion. If that investment is sold after a holding period of five or more years, the deferred gain would be subject to tax, but any additional gain would be excluded. A modification is needed to ensure that this intent is fulfilled.]

The proposed subtraction would first apply for taxable years beginning after December 31, 2015. Due to the provision's delayed applicability, no fiscal effect is estimated for the 2011-13 biennium. The Department of Revenue estimates that (in 2012-13 dollars) the exclusion would reduce individual income tax collections by $6 million in the first year of the phase-in (2016-17) and by approximately $79 million annually when fully phased in. Due to fluctuations in capital asset markets and the proposal's delayed effective date, these estimates are subject to substantial variation.

[Bill Sections: 1754, 1761, 1763, 1764, and 2862]

3. EXCLUSION FOR INTEREST ON CERTAIN WHEFA BONDS OR NOTES

Governor: Provide an exclusion from income under the individual income tax, the corporate income and franchise tax, and the income tax on insurance companies for interest income received on bonds or notes issued by the Wisconsin Health and Educational Facilities Authority (WHEFA) provided the bonds or notes are issued to a person who is eligible to receive bonds or notes from another issuer for the same purpose as the bonds or notes issued for the person by WHEFA and the interest income from those other bonds or notes would also be exempt. Extend the exclusion to tax years beginning on January 1, 2011. WHEFA provides capital financing assistance to Wisconsin health care institutions, independent colleges and universities, and certain continuing care facilities. There is a current law exclusion for interest on WHEFA-issued bonds or notes that are used by health facilities to acquire information technology hardware or software. The administration estimates that the fiscal effect of this provision would be a minimal loss of state tax revenues.

[Bill Sections: 1755, 1896, 2015, and 9341(3)]

4. EARNED INCOME TAX CREDIT

GPR	- $101,600,000
PR	74,000,000
Total	- $27,600,000

Governor: Increase PR funding for the earned income tax credit (EITC) by $37,000,000 annually and decrease GPR funding by $50,900,000 in 2011-12 and $50,700,000 in 2012-13 to reflect current law reestimates ($6,400,000 GPR in 2011-12 and $7,300,000 GPR in 2012-13), proposed changes in the percentages used to calculate the credit (-$20,300,000 GPR in 2011-12 and -$21,000,000 GPR in 2012-13), and the proposed increase in PR funding (-$37,000,000 GPR annually). Modify the percentages used to calculate the EITC by increasing the percentage from 4% to 5% for claimants with one child, decreasing the percentage from 14% to 8% for claimants with two children, and decreasing the percentage from 43% to 40% for claimants with three or more children, beginning in tax year 2011.

The state credit is calculated as a percentage of the federal EITC, and is funded with a combination of GPR and PR funding. The program revenue is federal temporary assistance for needy families (TANF) funding transferred from the Department of Children and Families. The GPR portion is provided through a sum sufficient appropriation and covers the balance of the cost of the credit. Under the bill, total funding for the EITC would decrease to $116,600,000 in 2011-12 and $116,800,000 in 2012-13, compared to base funding of $130,500,000. The PR funding would increase from a base level of $6,664,200 to $43,664,200 annually. The estimated

GPR sum sufficient portion would be decreased from the base level of $123,835,800 to $72,935,800 in 2011-12 and $73,135,800 in 2012-13.

With the proposed changes in the percentages used to calculate the credit, it is estimated that the maximum state credit for families with one child would increase from $124 to $155 in tax year 2011. The maximum credit for families with two children would fall from $716 to $409, and the maximum credit for families with three or more children would fall from $2,473 to $2,300.

[Bill Sections: 1883 and 1884]

5. VETERANS AND SURVIVING SPOUSES PROPERTY TAX CREDIT

GPR	$14,100,000

Governor: Provide increases of $6,000,000 in 2011-12 and $8,100,000 in 2012-13 for the refundable veterans and surviving spouses property tax credit, which is paid through a sum sufficient appropriation. With these adjustments, base level funding of $7,600,000 would increase to $13,600,000 in 2011-12 and $15,700,000 in 2012-13. The credit is equal to real and personal property taxes paid on a principal dwelling by certain disabled veterans and surviving spouses. The credit was first available in tax year 2005, and eligibility for the credit was expanded effective with tax year 2009. At the time base level funding was estimated, the number of claimants was under-estimated due to factors such as increasing awareness of the tax credit and the impact of the expansion in eligibility. After base level funding was estimated at $7.6 million for 2010-11, DOA reported actual 2009-10 credit expenditures of $9.6 million. The estimates for 2011-13 reflect continued increases in the number of credit claimants.

6. CLAIM OF RIGHT CREDIT

GPR	$344,000

Governor: Provide increases of $166,000 in 2011-12 and $178,000 in 2012-13 for the sum sufficient appropriation for the claim of right credit. With these adjustments, base level funding of $100,000 would increase to $266,000 in 2011-12 and $278,000 in 2012-13. The credit is provided to taxpayers who must repay income on which taxes were paid in a prior year. When taxpayers include a payment of $3,000 or more in their taxable income for one year and repay that income in a subsequent year, they may claim the tax on the income as a credit on the subsequent year's tax return. The credit extends to income erroneously paid to the taxpayer and, for example, could apply to overpayments of unemployment compensation.

7. MINNESOTA-WISCONSIN RECIPROCITY

GPR	- $62,450,000

Governor: Decrease the estimated payments under the Minnesota-Wisconsin individual income tax reciprocity agreement by $1,250,000 in 2011-12 and $61,200,000 in 2012-13. On September 18, 2009, Minnesota's Governor informed Wisconsin's Governor that the Minnesota Commissioner of Revenue was exercising his authority, under Minnesota state law, to discontinue the two states' income tax reciprocity agreement as of tax year 2010. Therefore, the agreement last applied to tax year 2009. Under the terms of the agreement, a payment was due in December of the year following the tax year for which the payment is being made. Consequently, the final reciprocity payment was due in December, 2010. However, the administration chose to defer that payment until 2011-12. That payment is estimated at $59,950,000, which includes $58,696,600 in principal and $1,253,400 in interest. Depending on the payment date, the payment could vary from this estimate due to the interest component. The decrease for 2012-13 reflects that no payment will be made due to the agreement's termination, and Wisconsin will have extinguished its obligation for all prior tax years.

8. ILLINOIS-WISCONSIN INCOME TAX RECIPROCITY

GPR	$33,900,000

Governor: Decrease the estimated payment by $2,400,000 in 2011-12 and increase the estimated payment by $36,300,000 in 2012-13 under the Illinois-Wisconsin individual income tax reciprocity agreement. Payments are estimated at $36,300,000 in 2011-12 and $75,000,000 in 2012-13. The increase in 2012-13 is due, in part, to the increase in the Illinois individual income tax rate from 3% to 5%, effective in tax year 2011.

9. INDIVIDUAL INCOME TAX CHECKOFF FOR CAMPAIGN FUNDS

Governor: Sunset the $3 check-off on individual income tax forms for contributions to the Election Campaign Fund and the Democracy Trust Fund, effective for tax years beginning after December 31, 2011. (Currently, the check-off does not increase an individual's tax liability or decrease an individual's tax refund.) Create a tax check-off on individual income tax forms for contributions to the Election Campaign Fund and the Democracy Trust Fund by permitting every individual who has a tax liability or is entitled to a tax refund to designate on the return $3 for additional payment or $3 of a refund due that taxpayer as a donation to the funds, effective with tax years beginning after December 31, 2011. Permit individuals who are filing jointly to each make a $3 designation. Provide that the names of persons making designations to the funds be strictly confidential. The administration of the check-off would operate in the same manner as the administration of tax check-offs provided under current law. Provide for the allocation of an amount equal to the Department of Revenue's administrative expenses to the Department's existing appropriation for that purpose, and require two-thirds of the net amount designated through the tax check-off to be deposited in the Democracy Trust Fund and the balance to be deposited in the Election Campaign Fund. The proposed check-off would operate identically to the existing check-off, except that the proposed check-off would increase an individual's tax liability or decrease an individual's tax refund.

Related entries are located under Miscellaneous Appropriations and are titled "Public Financing of Campaigns for Supreme Court Justice -- Democracy Trust Fund" and "Public Financing of Campaigns for Statewide and Legislative Offices -- Wisconsin Election Campaign Fund."

[Bill Sections: 748, 752, 882 thru 885, 1885 thru 1887, and 9418(1)&(2)]

10. INTERNAL REVENUE CODE UPDATE

GPR-Tax	- $117,000

Governor: Update statutory references to the federal Internal Revenue Code under the state individual and corporate income and franchise taxes to include changes to the IRC relating to: (a) long-term care insurance that is provided as part of an annuity or life insurance contract or as a rider on annuity or life insurance contracts, as authorized under the Pension Protection Act of 2006 (P.L. 109-280); (b) allowing participants in government-sponsored deferred compensation plans to make contributions to designated Roth accounts or to roll over amounts in their plans to designated Roth accounts, as authorized under the Small Business Jobs Act of 2010 (P.L. 111-240); (c) permitting partial annuitization of a nonqualified annuity contract, as authorized under the Small Business Jobs Act of 2010 (P.L. 111-240); and (d) qualified tax credit and Build America bonds, as authorized under the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), and the Hiring Incentives to Restore Employment Act of 2009 (P.L. 111-147).

Under the bill, the state's income and franchise tax statutes would continue to reference the IRC in effect as of December 31, 2008. With the exceptions noted above, none of the federal tax provisions adopted in 2009 and 2010 would be referenced in state statutes. Examples include provisions in the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act (P.L. 111-312), such as deductions for elementary and secondary school teacher expenses and for qualified tuition and related expenses, and the Affordable Care Act (P.L. 111-149 and 111-152), such as the exclusion for employer-provided accident or health coverage for an employee's child under the age of 27.

The proposed changes would take effect at the same time for state tax purposes as for federal tax purposes, and the administration estimates that the provision would cause state income and franchise tax revenues to increase by $230,000 in 2011-12 and decrease by $347,000 in 2012-13. These amounts are comprised of: (a) -$710,000 in 2011-12 and -$1,200,000 in 2012-13, relating to long-term care insurance; (b) $822,000 in 2011-12 and $660,000 in 2012-13, relating to contributions and rollovers to Roth accounts; and (c) $118,000 in 2011-12 and $193,000 in 2012-13, relating to partial annuitizations. The administration indicates that codifying IRC references to qualified tax credit and Build America bonds is intended to clarify Wisconsin's tax treatment and would not result in a revenue change.

Qualified tax credit bonds are issued by state and local governments and include qualified forestry conservation bonds, clean renewable energy bonds, energy conservation bonds, zone academy bonds, and school construction bonds. Generally, the bonds do not bear interest but, instead, generate a tax credit for bondholders based on the interest that would otherwise be expected to accrue. The credit is included in the bondholder's gross income and is subject to tax. Also, the credit may be claimed against the taxpayer's income tax liability, and unused credits may be carried forward to future years. The American Recovery and Reinvestment Act of 2009 authorized state and local governments to issue Build America bonds, but that authorization expired on January 1, 2011. Interest on Build America bonds is taxable, but the federal government lowers the interest cost by providing a subsidy equal to 35% of the interest cost either as a payment to the issuer or as a tax credit to the bondholder. Most interest on state and local bonds is subject to taxation at the state level, even though it is exempt from federal taxation. Including the indicated provisions would ensure that the tax credits from qualified tax credit bonds and from Build America bonds would be treated like state and municipal bond interest and therefore subject to Wisconsin tax.

[Bill Sections: 1753, 1890, 1891, 1897, 2013, and 2014]

11. ANGEL AND EARLY STAGE SEED INVESTMENT TAX CREDITS

Governor: Clarify that shareholders of tax-option corporations (S corporations) could claim the angel investment tax credit based on eligible investments made by the tax-option corporation. The tax-option corporation could not claim the credit, but the amount of the credit would be based on the corporation's eligible investments. The tax-option corporation would be required to compute the amount of credit each shareholder could claim and provide that information to them. Shareholders of tax-option corporations could claim the credit in proportion to their ownership interest, or as specifically allocated in their organizational documents. This provision would correct a drafting error to provide tax-option corporations with the same treatment provided to partnerships and LLCs under the angel investment tax credit. Generally, partnerships, LLCs, and tax-option corporations are provided this treatment for all tax credits claimed under the state individual income and corporate income and franchise taxes.

The bill would also specify that, for investments made after December 31, 2007, for angel and early stage seed investment tax credits, the claimant would be required to hold the investment for three years, or if the investment were held for less than three years, to repay the credit in a manner prescribed by the Department of Revenue. The provision requiring that angel and early stage seed investments be held for three years after December 31, 2007, was enacted in 2007 Act 20, (the 2007-09 biennial budget act). Prior to Act 20, the holding period was 12 months. This provision clarifies that the three-year holding period applies only to investments made after December 31, 2007. The 12-month holding period would apply to investments made before that date.

The early stage business investment program includes the angel investment tax credit, which can be claimed under the state individual income tax, and the early stage seed investment tax credit, which can be claimed under the state individual income, corporate income/franchise taxes, and insurance premiums taxes.

Angel Investment Tax Credit. The angel investment tax credit equals 25% of the claimant's bona fide angel investment made directly in a qualified new business venture (QNBV) for the tax year. The maximum aggregate amount of angel investment tax credits that can be claimed for a tax year is $20 million, plus an additional $250,000 for tax credits claimed for investments in nanotechnology businesses. The maximum total amount of tax credits that can be claimed for all tax years is $47.5 million.

Early Stage Seed Investment Tax Credit. The early stage seed investment tax credit is equal to 25% of the claimant's investment paid in the tax year to a certified fund manager that the fund manager invests in a QNBV certified by the Department of Commerce (Commerce). The maximum aggregate amount of early stage seed investment tax credits that can be claimed for a tax year is $20.5 million, plus an additional $250,000 for tax credits claimed for investments in nanotechnology businesses.

The aggregate amount of investment in any one QNBV that may qualify for early stage seed investment and angel investment tax credits is $8.0 million. Investments in a QNBV must be maintained in the business for at least three years. As noted, the statutes specify that partners and members of LLCs may claim angel investment tax credits in proportion to their ownership interest, or as specially allocated in organizational documents. Partners, members of LLCs, and shareholders of tax-option corporations may claim early stage seed investment tax credits in proportion to their ownership interest, or as specially allocated in organizational documents. [Under the bill, Commerce's responsibilities regarding these credits and other tax credits would be transferred to the Wisconsin Economic Development Corporation.]

[Bill Sections: 1864, 1869, 1872, 1873, 2003, and 2114]

12. DAIRY MANUFACTURING FACILITY INVESTMENT TAX CREDIT MODIFICATIONS

Governor: Specify that the provision that limits, to $200,000 for each manufacturing facility, the aggregate amount of dairy manufacturing facility investment tax credits a partnership, LLC, tax-option corporation, and dairy cooperative could claim would only apply to dairy cooperatives. All other entities would be subject to an aggregate total tax credit limit of $200,000. The modifications to the aggregate credit claim limit would first apply to tax years beginning after December 31, 2010. In addition, the bill would convert the appropriation from which refundable dairy manufacturing facility tax credits are paid to individuals, corporations, and pass-through entities from annual to continuing.

The refundable dairy manufacturing facility investment tax credit is equal to 10% of the amount paid in a tax year by a claimant for modernization or expansion related to the claimant's dairy manufacturing operation. The credit can also be claimed for eligible investments made by dairy cooperatives. The credit is refundable. If the allowable credit claim exceeds the tax due, the amount not used to offset the tax is paid to the claimant. Refunds to individuals, corporations, and pass-through entities are paid from an annual GPR appropriation. Refunds to cooperatives are paid from a sum-sufficient GPR appropriation.

Partnerships, LLCs, tax-option corporations, and dairy cooperatives may not claim the tax credit, but the eligibility for, and the amount of credit is based the payment of eligible expenses by the entity. A partnership, LLC, tax-option corporation, and cooperative is required to compute the amount of credit that each of its partners, members, or shareholders may claim and report that information to each of them. Partners, members of LLCs, and shareholders of tax-option corporations may claim the credit in proportion to their ownership interest. Members of a dairy cooperative may claim the credit in proportion to the amount of milk that each member delivers to the dairy cooperative, as determined by the cooperative.

The total amount of tax credits that can be claimed is limited to $700,000 annually for cooperative members, and $700,000 annually for other entities. The maximum aggregate amount of tax credits that a claimant can claim is $200,000 for C corporations and individuals and $200,000 per facility for pass-through entities and cooperatives. A credit cannot be claimed for expenses that were deducted as trade or business expenses.

[Bill Sections: 772, 1826, 1963, 2075, and 9341(1)]

13. COMBINED REPORTING -- USE NET BUSINESS LOSS CARRY-FORWARDS INCURRED BEFORE 2009

GPR-Tax	- $46,400,000

Governor: Authorize combined groups to share net business loss carry-forwards that were incurred by group members before January 1, 2009. Starting with the first tax year beginning after December 31, 2011, and for each of the 20 subsequent tax years, for each tax year that a corporation was a member of a combined group and had a net business loss carry-forward from a tax year beginning prior to January 1, 2009, the corporation could use up to 5% of its remaining business loss carry-forward to proportionally offset the income of all other members of the combined group, to the extent that income was attributable to the unitary business. Before sharing the business loss carry-forward with group members, the corporation would first have to use the loss carry-forward to offset its own income for the tax year. If the full 5% of such business loss carry-forwards could not be completely used to offset the income of other members of the combined group, the remainder could be added to the portion of the corporation's loss carry-forward that could be used to offset the income of group members in the subsequent year. Unless otherwise provided by DOR by rule, the corporation could not share the loss carry-forward if it ceased being included in the combined group. DOR would be required to promulgate administrative rules to administer these provisions. These provisions would reduce corporate income and franchise tax revenues by an estimated $9,200,000 in 2011-12, and $37,200,000 in 2012-13.

Although similar to federal law, Wisconsin has specific state provisions governing the determination and use of net business losses for state corporate income/franchise tax purposes. Under state law, a net business loss is generally defined as the excess of business expenses allowed as deductions in computing net income over the amount of income attributable to the operation of a trade or business in the state. Wisconsin law allows net business losses to be carried forward for 15 years to offset income. Federal law permits net business losses to be carried back for two years, but state law does not provide for carry-backs of net business losses. Certain unused business loss carry-forwards generated by members of a combined group can be shared with other members of the group to offset their net income.

Individual combined group members that show a positive income amount can offset the income with net business loss carry-forwards. A net business loss carry-forward is an attribute of the separate corporation that generated the loss. However, the combined group member may share all or a portion of its business loss carry-forward with other members of the combined group, if certain conditions are met. Specifically, the amount of net business loss carry-forward that is eligible for sharing with other combined group members is computed and assigned as follows:

a. Each combined group member applies its total available net business loss carry-forward against its total Wisconsin income, including net income or loss attributable to separate entity items (income or loss subject to water's edge rules, income or loss attributable to a separate unitary business, nonapportionable income, lottery prizes). The member's carry-forward is first used to offset net income from separate entity items, and then its share of combined unitary income.

b. Each member then separates any remaining business loss carry-forward into the sharable and nonsharable amounts. Each member's remaining sharable net business loss is aggregated for the combined group as a whole. (A member may elect to exclude some or all of its sharable net business loss from the aggregate sharable net business loss computed for the combined group.)

c. When a combined group member has unitary income that is not offset by that member's net business loss carry-forwards, the group's aggregate sharable net business loss is assigned to the member in proportion to its share of the combined unitary income of the group. An amount of the group's sharable business loss carry-forwards cannot be assigned to a combined group member whose share of combined unitary income, net of any losses already applied by that member, is zero or less.

d. The aggregate sharable business loss of the combined group is considered to be used proportionally to the individual sharable net business loss carry-forwards of the corporations that contributed to the aggregate sharable amount. Any remaining sharable net business loss carry-forward is an attribute of the corporation that originally incurred the loss. Consequently, the amount of the unused aggregate sharable business loss carry-forwards retained by a combined group member is proportionate to the amount contributed by the member.

A net business loss carry-forward is sharable if the following conditions are met:

a. The net business loss originated in tax years beginning on or after January 1, 2009, and is attributable to combined unitary income included in a combined report.

b. The member originally computed the net business loss in the combined report used for the same combined group that will use the shared loss carry-forward, regardless of whether corporations have joined or left the combined group in the intervening years.

c. The member is still a member of the combined group for the year for which the loss carry-forward will be used.

[Bill Sections: 1893 and 1894]

14. COMBINED REPORTING -- DEPARTMENT OF REVENUE AUTHORITY TO DISALLOW COMMONLY CONTROLLED GROUPS

Governor: Delete the current requirement that DOR must disregard the tax effect of an election to include a commonly controlled business in a combined group, or disallow the election, for any year of the election period if the Department determines that the election has the effect of tax avoidance. Instead, prohibit DOR from disregarding the tax effect of an election to include a controlled business in a combined group, or from disallowing the election. This provision would apply retroactively to tax years beginning on or after January 1, 2009.

Wisconsin's combined reporting law requires a corporation to use combined reporting if it satisfies all of the following conditions:

a. The corporation is a member of a "commonly controlled group."

b. The corporation is engaged in a "unitary business" with one or more other corporations in its commonly controlled group, or the commonly controlled group makes a controlled group election. The designated agent of a combined group can elect, without first obtaining approval from DOR, to include in its combined group every corporation in a commonly controlled group, regardless of whether such corporations are engaged in the same unitary business.

c. The corporation is not excluded from the combined group under "water's edge" rules.

A "commonly controlled group" can be any one or combination of four types of arrangements, based on ownership of stock that represents more than 50% of voting power. Specifically, there must be common ownership of stock representing more than 50% of the voting power of the corporations, in any commonly controlled group. A corporation owns stock representing more than 50% of voting power if it owns or controls more than 50% of all classes of stock entitled to vote.

[Bill Sections: 1892, 9341(4), and 9441(2)]

15. JOBS TAX CREDIT MODIFICATIONS

Governor: Make the following modifications to provisions of the refundable jobs tax credit, under the state individual income and corporate income and franchise taxes: (a) delete the requirements that the credit be based on eligible employee wages between $20,000 and $100,000 in a tier I county or municipality, and wages between $30,000 and $100,000 in a tier II county or municipality; (b) provide that, for a claimant that increases net employment, the jobs credit would equal the lesser of 10% of wages paid to an eligible employee or $10,000; and (c) convert the appropriation from which jobs tax credit refunds are paid from an annual GPR appropriation to a continuing GPR appropriation.

The jobs tax credit was enacted in 2009 Act 28, and equals up to 10% of the wages paid to an eligible employee and/or the amount of costs incurred to undertake training activities in a tax year. Specifically, a person that is certified by the Department of Commerce can claim the jobs tax credit if, in each year for which the tax credit is claimed, the person increases net employment in the person's business and one of the following applies:

a. In a tier I county or municipality, an eligible employee, for whom the tax credit is claimed, will earn at least $20,000 but not more than $100,000 in wages, in the year for which the credit was claimed.

b. In a tier II county or municipality, an eligible employee, for whom the tax credit is claimed, will earn at least $30,000 but not more than $100,000 in wages, in the year for which the credit was claimed.

c. In a tier I or tier II county or municipality, the person improves the job-related skills of any eligible employee, trains any eligible employee on the use of job-related new technologies, or provides job-related training to any eligible employee whose employment represents the employee's first full-time job.

As noted, the jobs tax credit is refundable. If the amount of credit exceeds a claimant's tax liability, the state will issue a check to the claimant for the unused tax credit amount. The refunds are paid from an annual GPR appropriation

The maximum amount of tax credits that Commerce can allocate in a calendar year is $5 million. In addition, the total amount of credits that can be claimed for tax years beginning on or after January 1, 2010, and ending on June 30, 2013, is limited to $14.5 million. Tax credits certified by Commerce for tax years beginning after December 31, 2009 and before January 1, 2012, must be paid in tax years beginning after December 31, 2011. Commerce is also authorized to reallocate angel investment and early stage seed investment tax credits that are unused in any calendar year to persons eligible for the jobs tax credit, subject to 14-day passive review by the Joint Committee on Finance. These reallocated amounts are not subject to the $5 million limit on annual jobs tax credit claims.

[Bill Sections: 771, 2864, 3357 thru 3360, and 9441(1)]

16. JOBS TAX CREDIT SUM SUFFICIENT ESTIMATE

GPR	$9,000,000

Governor: Provide $9,000,000 in 2012-13 to establish the funding level for the refundable jobs tax credit, as described in the preceding entry.

17. ENTERPRISE ZONES TAX CREDIT SUM SUFFICIENT REESTIMATE

GPR	$37,500,000

Governor: Provide increases of $8,600,000 in 2011-12 and $28,900,000 in 2012-13 for the sum sufficient appropriation for the enterprise zones jobs tax credit to reestimate tax credit claims during the biennium. The reestimates reflect projections of substantial tax credit claims from major economic development projects under the program. With theses adjustments, total funding would be increased from $5,200,000 to $13,800,000 in 2011-12 and $34,100,000 in 2012-13.

18. BEGINNING FARMER AND FARM ASSET OWNER TAX CREDITS SUM SUFFICIENT ESTIMATE

GPR	$2,060,500

Governor: Provide $860,500 in 2011-12 and $1,200,000 in 2012-13 to establish the funding level for the sum sufficient appropriation for the beginning farmer and farm asset owner tax credit. 2009 Act 28 created a refundable beginning farmer tax credit and a refundable farm asset owner tax credit, under the state individual income and corporate income and franchise taxes, for tax years beginning after December 31, 2010. The beginning farmer tax credit equals the amount paid by the beginning farmer to enroll in a financial management program in the year to which the claim relates. The credit can be claimed on a one-time basis, and the maximum credit is $500. The farm asset owner tax credit equals 15% of the amount received by an established farmer for leasing agricultural assets to a beginning farmer in the year to which the claim relates.

19. FOOD PROCESSING PLANT AND FOOD WAREHOUSE INVESTMENT TAX CREDIT SUM SUFFICIENT REESTIMATE

GPR	- $1,000,000

Governor: Decrease funding by $500,000 annually for the refundable food processing plant and food warehouse investment tax credit to establish an annual appropriation of $700,000 for the tax credit. The credit is provided, under the state individual income and corporate income and franchise taxes, equal to 10% of the amount paid in the tax year by the claimant for food processing or food warehousing modernization or expansion. The credit can be claimed for tax years beginning after December 31, 2009, and before January 1, 2017. The total amount of tax credits that could be claimed was $1,200,000 for fiscal year 2010-11. However, the maximum total tax credit limit is $700,000 for subsequent fiscal years.

20. FILM PRODUCTION SERVICES TAX CREDIT SUM SUFFICIENT REESTIMATE

GPR	- $200,000

Governor: Decrease funding by $100,000 annually for the refundable film production services tax credit to establish an annual appropriation of $400,000. The credit is provided under the state individual income and corporate income and franchise taxes and can be claimed for: (a) an amount equal to 25% of salaries, wages, and/or labor-related contract payments to all individuals, including actors, who are Wisconsin residents that work on an accredited production in Wisconsin; and (b) an amount equal to 25% of non-labor production expenses incurred in Wisconsin to produce an accredited production. The maximum amount of film production tax credits that can be claimed in a fiscal year is $500,000.

21. FILM PRODUCTION COMPANY INVESTMENT TAX CREDIT SUM SUFFICIENT ESTIMATE

GPR	$200,000

Governor: Provide $100,000 annually to establish the funding level for the film production company investment tax credit. 2009 Act 28 converted the film production company investment tax credit to a refundable tax credit. The credit can be claimed under the state individual income and corporate income and franchise taxes, and equals 15% of the following that the claimant paid in the tax year to establish or operate a film production company in Wisconsin: (a) the purchase price of depreciable, tangible personal property and items, property, and goods, if the sale of such property and goods is sourced to Wisconsin; and (b) the amount expended to construct, rehabilitate, remodel, or repair real property. The maximum amount of film production tax credits that can be claimed in a fiscal year is $500,000.

Sales and Excise Taxes

1. DEPOSIT SALES AND USE TAX REVENUE GENERATED FROM SALES OF MOTOR VEHICLES AND MOTOR VEHICLE PARTS AND ACCESSORIES INTO THE TRANSPORTATION FUND

GPR-Tax	- $35,127,000

Governor: Provide that a specified percentage of sales and use tax revenues generated from the sale, lease, or use of motor vehicles and motor vehicle parts and accessories would be deposited into the transportation fund, instead of the general fund. Require DOR to annually estimate the amount of revenue generated from such sales to be deposited into the transportation fund beginning with tax revenues received on July 1, 2012. Specify that the percentage of sales tax revenues generated from the sale, lease, or use of motor vehicles and motor vehicle parts and accessories that are deposited into the transportation fund would increase over a ten-year period in the following manner:

a. 7.5% of revenues for 2012-13, but not more than $35,127,000;
b. 10% of revenues for 2013-14;
c. 15% of revenues for 2014-15;
d. 20% of revenues for 2015-16;
e. 25% of revenues for 2016-17;
f. 30% of revenues for 2017-18;
g. 35% of revenues for 2018-19;
h. 40% of revenues for 2019-20;
i. 45% of revenues for 2020-21;
j. 50% of revenues for 2021-22 and each year thereafter.

The administration estimates that $35,127,000 of sales tax revenues would be deposited into the transportation fund in 2012-13 under the proposal. The amount deposited into the transportation fund (in 2012-13 dollars) would increase to an estimated $58 million in 2013-14, $88 million in 2014-15, and would ultimately increase to approximately $292 million in 2021-22. [The segregated transportation fund revenue increase under this provision is shown under "Transportation -- Transportation Finance."]

[Bill Sections: 881 and 2182]

2. SALES AND USE TAX EXEMPTION FOR MODULAR AND MANUFACTURED HOMES

GPR-Tax	- $455,000

Governor: Create an exemption from the sales and use tax for modular homes and manufactured homes that are used in real property construction activities outside this state. The proposal would become effective on the first day of the third month beginning after publication of the budget bill. Assuming an effective date of October 1, 2011, the administration estimates that the proposal would reduce sales and use tax revenue by $195,000 in 2011-12 and $260,000 in 2012-13.

Under current law, sales of modular homes and manufactured homes are subject to the state sales and use tax. For new manufactured homes, 35% of the sales price is exempt from tax. For certain modular homes, either 35% of the sales price or the sales price minus the cost of materials that became component parts of a building being sold are exempt from the tax. According to DOR, the intent of the Governor's proposal is to create a new sales and use tax exemption for modular homes and manufactured homes if the home is destined to become real property in another state.

Under current law, if a Wisconsin manufacturer sells a modular home or a manufactured home to a dealer located in Wisconsin, the dealer must determine whether the home will become a real property construction or if the home will be sold as tangible personal property. If the home will be sold as tangible personal property, the tax is collected on the sales price of the transaction from the dealer to the ultimate consumer for sales in Wisconsin. For sales in other states, their state law would apply. If the home will be sold for use in real property construction, the sales tax is collected on the sales price of the transaction from the manufacturer to the dealer as the final taxable sale. The subsequent sale from the dealer to the consumer is a sale of real property and is not a taxable sale.

According to DOR, variability in the treatment of modular home and manufactured home sales among states can result in multiple states imposing sales tax on the same product. If a Wisconsin manufacturer sells a manufactured or modular home destined to become a real property construction to a dealer located in Wisconsin, the tax is imposed on the transaction between the manufacturer and the dealer. For example, if the Wisconsin dealer sells the home to a consumer in Iowa, Iowa imposes sales tax on the purchase price of the transaction between the dealer and the final consumer, but generally allows credit for the tax paid to Wisconsin. Because of the complexity, manufacturers and dealers often remit the tax incorrectly, resulting in Wisconsin tax due upon audit. At that time, years may be closed to claims of credit in other states. This puts Wisconsin dealers at a competitive disadvantage compared to a similar dealer located in Iowa. The proposal would eliminate liability for Wisconsin sales tax for sales of modular and manufactured homes destined to become real property in other states. The other state would impose its sales or use tax as applicable.

[Bill Sections: 2179 and 9441(3)]

3. SALES TAX EXEMPTION FOR CERTAIN OIL AND FAT CONVERTED INTO FUEL

Governor: Create an exemption from the sales and use tax for sales of vegetable oil or animal fat that is converted into motor fuel that is exempt from the state motor vehicle fuel tax under the exemption for personal renewable fuel. Under the personal renewable fuel exemption, the motor fuel tax is not imposed on the first 1,000 gallons of renewable fuel produced or converted from another purpose each year by an individual and used by the individual in his or her personal motor vehicle, provided that the individual does not sell any such renewable fuel during that year. The proposed sales tax exemption would become effective on the first day of the third month beginning after publication of the budget bill, and is expected to have a minimal fiscal effect.

[Bill Sections: 2181 and 9441(4)]

4. CIGARETTE AND TOBACCO PRODUCTS TAX REFUNDS

GPR	$11,500,000

Governor: Increase funding for cigarette and tobacco products tax refunds by $4,500,000 in 2011-12 and $7,000,000 in 2012-13 to reflect higher estimates of the sum sufficient appropriation amounts required to reimburse Native American tribes under present law. With these adjustments, estimated total funding in the cigarette and tobacco products tax refunds appropriation would increase to $47,500,000 in 2011-12 and $50,000,000 in 2012-13. Under current law, for sales that occur on reservations or trust lands, the tribes receive a refund of 100% of the excise tax on cigarettes sold to Native Americans and 70% of the tax on sales to non-Native Americans. For tobacco products sold on reservations or trust lands, the tribes receive a refund of 100% of the tax on products sold to tribal members and 50% of the tax on products sold to non-Native Americans.

2009 Act 28 enacted higher tax rates for cigarettes ($2.52 per pack from $1.77 per pack) and tobacco products (100% of the manufacturer's list price for moist snuff and 71% of the manufacturer's list price for other tobacco products, but not more than 50¢ per cigar, from $1.31 per ounce of moist snuff and 50% of the manufacturer's list price for other tobacco products, but nor more than 50¢ per cigar). The higher taxes took effect on September 1, 2009. In order to account for the impact of the tax increases, funding for tribal refunds was increased from the 2007-08 base level of $30,700,000 to $39,500,000 in 2009-10 and $42,000,000 in 2010-11. Actual expenditures totaled $42,489,900 in 2009-10, and 2010-11 refund amounts have been reestimated by this office at $45,200,000. The increase in the sum sufficient estimate for the 2011-13 biennium reflects the higher-than-anticipated expenditures that have occurred since the tax increases took effect, and the Department of Revenue's expectation that purchases of cigarettes and tobacco products from tribal reservations will become an increased share of total cigarette and tobacco product purchases over the biennium.

GOVERNMENT ACCOUNTABILITY BOARD

	Budget Summary					FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$2,437,600	$2,627,000	$2,664,700	$416,500	8.5%	14.30	14.30	14.30	0.00	0.0%
FED	1,454,200	1,452,000	1,452,000	- 4,400	- 0.2	0.00	0.00	0.00	0.00	0.0
PR	524,200	538,900	538,900	29,400	2.8	3.45	3.45	3.45	0.00	0.0
SEG	742,600	100,100	742,600	- 642,500	- 43.3	0.00	0.00	0.00	0.00	0.0
TOTAL	$5,158,600	$4,718,000	$5,398,200	- $201,000	- 1.9%	17.75	17.75	17.75	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$206,600
FED	- 4,400
PR	20,000
Total	$222,200

Governor: Provide standard adjustments totaling $101,500 GPR, -$2,200 FED, and $10,000 PR in 2011-12, and $105,100 GPR, -$2,200 FED, and $10,000 PR in 2012-13. Adjustments are for: (a) full funding of continuing salaries and fringe benefits ($52,000 GPR and $8,400 PR annually); (b) reclassifications ($8,400 GPR in 2011-12, and $12,000 GPR in 2012-13); and (c) full funding of lease costs and directed moves ($41,100 GPR, -$2,200 FED, and $1,600 PR annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $141,000
PR	- 33,400
Total	- $174,400

Governor: Delete $70,500 GPR and $16,700 PR annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

GPR	- $225,200
PR	- 43,800
Total	- $269,000

Governor: Reduce funding by $112,600 GPR and $21,900 PR annually associated with a 10% reduction to supplies and other non-personnel costs.

4. PUBLIC FINANCING OF CAMPAIGNS FOR SUPREME COURT JUSTICE -- DEMOCRACY TRUST FUND

Governor: Transfer the SEG sum sufficient public financing benefits; candidates for justice appropriation from the State Treasurer to the Government Accountability Board (GAB). After the transfer from the State Treasurer this appropriation would have no base funding. [Under current law, this SEG appropriation provides payment of public financing benefits to eligible Supreme Court Justice candidates, funded from the Democracy Trust Fund (DTF).] Amend the appropriation to provide funding equal in each fiscal year to the lesser of the total amount of campaign finance check-offs certified annually to the DTF, minus the amounts appropriated to GAB for administration, and the total amount of DTF grants that eligible candidates qualify to receive in that fiscal year.

Provide that it would now be the responsibility of GAB, and not the State Treasurer, to administer the DTF and to create and extend lines of credit to eligible candidates for Supreme Court Justice. The DTF provides public financing grants for eligible candidates for Supreme Court Justice.

Funding from the Campaign Finance Check-Off

Current Law. Beginning with 2010 tax returns, every individual filing an income tax return who has a tax liability or is entitled to a tax refund may now designate $3 for the Wisconsin Election Campaign Fund (WECF) and the DTF. One-third of the total amount designated by taxfilers through the campaign finance check-off is credited to the WECF, and the remaining two-thirds are credited to the DTF. If individuals filing a joint return have a tax liability or are entitled to a tax refund, each individual may make a $3 designation. Annually on August 15, the Secretary of DOR must certify to GAB, the Department of Administration (DOA) and the State Treasurer the total amount of any campaign finance designations made during the preceding fiscal year. Since the check-off does not affect taxpayer liability, the amount generated from the check-off is transferred to the WECF and the DTF from sum sufficient GPR appropriations. [The WECF provides public financing grants for eligible candidates for statewide and legislative offices.]

Bill. Current law provisions regarding the campaign finance check-off would not apply to a taxable year that would begin after December 31, 2011. Instead, for taxable years beginning after December 31, 2011, an individual's income tax liability would be increased by $3 or the individual's tax refund would be decreased by $3 for any designation made to the WECF and the DTF on the individual income tax form. As the check-off would now increase a taxpayer's liability or decrease a taxpayer's refund, the bill would delete the GPR sum sufficient appropriations that currently provide the funding associated with campaign finance check-offs. Any campaign finance check-off made by an individual that would not be funded, in whole or in part, by an individual's increased payment of taxes or by an available refund would be voided.

Annually, on or before August 15, the Secretary of DOR would be required to certify to GAB, DOA, and the State Treasurer all of the following: (a) the total administrative costs, including data processing costs, incurred by DOR in administering these provisions during the previous fiscal year; (b) the total amount of campaign finance check-offs made by taxpayers for the WECF and the DTF during the previous fiscal year; and (c) the net amount of check-off revenue remaining after deducting DOR administrative costs. An amount equal to the administrative costs incurred by DOR during the previous fiscal year would be deposited to the general fund and credited to the DOR administration of income tax checkoff voluntary payments appropriation. Of the remaining amounts generated by the campaign finance check-off, one-third would be deposited to the WECF and two-thirds would be deposited to the DTF.

Estimated check-off revenue to the DTF would be reduced by $34,600 in 2011-12, and by $46,600 in 2012-13. As a result, under the bill, it is estimated that check-off revenue to the DTF would total $328,000 in 2011-12, and $316,000 in 2012-13.

Backup Sum Sufficient GPR Funding

Current Law. The GPR sum sufficient democracy trust fund transfer appropriation provides additional funding to the DTF equal to the difference between the unencumbered balance in the DTF and the amounts required to provide full public financing benefits to Supreme Court Justice candidates participating in the DTF.

Bill. Delete the GPR sum sufficient democracy trust fund transfer appropriation which ensures that there is sufficient funding to fully fund all grants under the DTF.

Base Grants

Current Law. The DTF provides for a $100,000 base grant for an eligible candidate for the primary election, while the spring election base grant for an eligible candidate is $300,000. Under current law, there is no provision for the proration of base grants as the GPR sum sufficient democracy trust fund transfer appropriation ensures that these grants will be fully funded. An eligible candidate may use these grant funds to finance any lawful disbursements during the primary and election campaign periods to further the election of the candidate in that primary or election. If there is no spring primary, no eligible candidate for Supreme Court Justice may receive a DTF public financing benefit for the primary election. Beginning on July 1, 2012, and every two years thereafter, GAB must modify the amount of the DTF base grants to adjust for the change in the consumer price index, all items, U.S. city average, published by the U.S. Department of Labor for the preceding two year period ending on December 31.

Bill. With the deletion of the GPR sum sufficient democracy trust fund transfer appropriation, the bill would now provide for the proration of base grants. As a result, the bill would provide for a maximum base grant of $100,000 for the primary election, and $300,000 for the spring election. Upon determination of the number of eligible candidates who qualify for a base grant for the primary election campaign period, GAB would be required to determine the amounts of the base grants payable to all eligible candidates in the primary election campaign period and the spring election campaign period by reserving a base grant amount from the DTF for the spring election campaign period for two eligible candidates, if two or more candidates qualify to receive a base grant for the primary election campaign period, or for one eligible candidate, if only one candidate qualifies to receive a base grant for the primary election campaign period. If there are insufficient moneys in the fund to make full payment of all base grants that are or may become payable for the primary and spring election campaign periods, the

Board would be required to prorate the available funding and fully allocate it to the eligible candidates. If on the day that the Board made its certification as to candidates eligible to receive base grant funding for the spring election there would be additional moneys in the fund that would have become available for distribution to eligible candidates in the spring election, GAB would be required to distribute the additional moneys in equal amounts to each eligible candidate at the spring election or, if there was only one eligible candidate, to that candidate alone, up to the maximum amount of the base grant for the spring election.

Private Contributions to Supreme Court Justice Candidates

Current Law. An eligible candidate participating in the DTF may not accept private contributions, other than "seed money contributions" and "qualifying contributions," that the candidate accepts through the first Tuesday in January preceding a spring election for Supreme Court Justice.

A "seed money contribution" means a contribution in an amount of not more than $100 made to a candidate by an elector of this state anytime following the prior spring election through the first Tuesday of the following January immediately preceding a spring election for Supreme Court Justice. A seed money contribution may also include personal funds contributed by a candidate or a member of a candidate's immediate family during this time period. Total seed money contributions (including personal funds, but not including qualifying contributions) may not exceed $5,000. No eligible candidate may make any disbursement derived from seed money contributions after the first Tuesday in January preceding the spring election for Supreme Court Justice.

A "qualifying contribution" means a contribution in an amount of not less than $5 nor more than $100 made to a candidate by an elector of this state, which is acknowledged by written receipt identifying the contributor. A qualifying contribution must be received anytime from the first day of July immediately preceding the year of the spring election through the first Tuesday of the following January. In order to qualify for a grant, a Supreme Court Justice candidate must receive at least 1,000 qualifying contributions from separate contributors in an aggregate amount of not less than $5,000, nor more than $15,000.

If an eligible candidate receives and accepts excess seed money contributions or qualifying contributions in an aggregate amount greater than the limits identified above, the candidate must transfer to the Board all seed money and qualifying contributions that exceed these limits for deposit to the DTF.

A nonparticipating candidate for Supreme Court Justice may accept contributions from private sources without limitation, except that no person may make any contribution or contributions to a nonparticipating candidate exceeding a total of $1,000 during any campaign.

Bill. With the deletion of the GPR sum sufficient democracy trust fund transfer appropriation which ensures the full funding of DTF grants, the bill would now permit Supreme Court Justice candidates participating in the DTF to receive increased private contributions if there was insufficient funding to fully fund DTF grants. Under the bill, an eligible DTF candidate would not be allowed to accept private contributions during the primary election campaign period in an aggregate amount exceeding the difference, if any, between the maximum amount of the base grant for the primary election and the actual amount of the base grant provided for the primary election. Likewise, an eligible DTF candidate would not be permitted to accept private contributions during the election campaign period in an aggregate amount exceeding the difference, if any, between the maximum amount of the base grant for the spring election and the actual amount of the base grant provided for the spring election.

A nonparticipating candidate for Supreme Court Justice could continue to accept a contribution from a person of up to $1,000 during any campaign. A DTF candidate could likewise now receive contributions of up to $1,000 per person during any campaign in order to make up any lost funding from a prorated base grant for the spring primary or election.

Nonparticipating Candidate Supplemental Grants

Current Law. If a Supreme Court Justice candidate not participating in the DTF receives contributions or makes or obligates to make disbursements exceeding 105% of the base grant provided to an eligible DTF candidate at the same primary or election, each candidate participating in the DTF qualifies for a nonparticipating candidate supplemental grant equivalent to the total excess disbursement amount made or obligated to be made, but these supplemental grants may not exceed, in the aggregate, three times the public financing benefit provided during the relevant primary or election. "Excess disbursement amount" means the amount of disbursements made by a nonparticipating candidate in excess of the DTF base grant. Prior to any future adjustments to reflect changes in the consumer price index, as the base grants for the primary and election campaigns are $100,000 and $300,000 respectively, the maximum aggregate nonparticipating candidate supplemental grants for the primary and election campaigns equal $300,000 and $900,000 respectively.

Nonparticipating candidates are required to report contributions received, or disbursements made or obligated to be made, that exceed 105% of the relevant base grant. However, nonparticipating candidate supplemental grants provided to a DTF candidate are based only on the disbursements made or obligated to be made by the nonparticipating candidate. In other words, nonparticipating candidate supplemental grants do not match contributions received by the nonparticipating candidate, but only disbursements.

Bill. The bill would delete nonparticipating candidate supplemental grants. As a result, a Supreme Court Justice candidate participating in the DTF would no longer be eligible to receive a nonparticipating candidate supplemental grant to match disbursements made by a nonparticipating candidate that exceed 105% of the relevant base grant for the spring primary or election. In addition, nonparticipating candidates would no longer be subject to the contribution and disbursement reporting requirements associated with this grant.

Independent Disbursement Supplemental Grants

Current Law. If the aggregate independent disbursements made or obligated to be made against an eligible DTF candidate for Supreme Court Justice, or for the opponents of that eligible candidate, exceed 120% of the base grant in the primary or election campaign, the eligible DTF candidate qualifies for an independent disbursement supplemental grant equal to the aggregate independent disbursements made or obligated to be made, but not to exceed, three times the public financing benefit provided during the relevant primary or election. As a result, once the 120% threshold is exceeded, the participating candidate receives a supplemental grant equivalent to the total independent disbursements made or obligated to be made, from the first independent disbursement dollar expended or obligated to be expended. "Independent disbursement" means a disbursement by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with a candidate, or any authorized committee or agent of a candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of a candidate. Prior to any future adjustments to reflect changes in the consumer price index, as the base grants for the primary and election campaigns are $100,000 and $300,000 respectively, the maximum aggregate nonparticipating candidate supplemental grants for the primary and election campaigns equal $300,000 and $900,000 respectively. This cap on independent disbursements supplemental grants applies on a per producer of independent disbursements basis, and not on an aggregate basis.

If any person makes, or becomes obligated to make, by oral or written agreement, an independent disbursement in excess of $1,000 with respect to a candidate for Supreme Court Justice at a spring primary or election, that person must file with GAB a notice of the disbursement or obligation to make the disbursement. Any such person must file reports of such disbursements or obligations to make such disbursements on the 15th or last day of the month that immediately follows the date of the disbursement or the obligation to make the disbursement, whichever comes first, except that, within six weeks prior to the date of the spring primary election, if a primary is held, and within six weeks prior to the date of the spring election, the person must file such reports within 24 hours after each independent disbursement is made or obligated to be made. Any such person must file an additional report after each additional $1,000 of disbursements are made or obligated to be made.

Bill. The bill would delete independent disbursement supplemental grants. As a result, a Supreme Court Justice candidate participating in the DTF would no longer be eligible to receive an independent disbursement supplemental grant to match aggregate independent disbursements made or obligated to be made against an eligible DTF candidate for Supreme Court Justice, or for the opponents of that eligible candidate, that exceed 120% of the base grant in the spring primary or election. In addition, producers of independent disbursements would no longer be subject to the disbursement reporting requirements associated with this grant.

Administration of the Democracy Trust Fund

Current Law. It is currently the responsibility of the State Treasurer to administer the DTF and establish an account within the fund for each eligible candidate for Supreme Court Justice. The State Treasurer is responsible for providing lines of credit for base grants, nonparticipating candidate supplemental grants, and independent disbursement supplemental grants, based on information provided to the State Treasurer by GAB. Under the State Treasurer, the SEG sum sufficient public financing benefits; candidates for justice appropriation provides for payments from the DTF to make grants to eligible Supreme Court Justice candidates. The State Treasurer also has a SEG annual democracy trust fund administration appropriation to fund costs incurred by the Treasurer in administering the DTF.

Bill. Specify that it would now be the responsibility of GAB, and not the State Treasurer, to administer the DTF and to create and extend lines of credit to eligible candidates for Supreme Court Justice. The SEG sum sufficient public financing benefits; candidates for justice appropriation would be transferred to GAB. This appropriation would be amended to provide funding equal in each fiscal year to the lesser of the total amount of campaign finance check-offs certified annually to the DTF minus the amounts appropriated to GAB for administration, and the total amount of DTF grants that eligible candidates qualify to receive in that fiscal year. Finally, the bill would delete the DTF administration appropriation under the State Treasurer.

Effective Dates

Campaign finance provisions would generally take effect January 1, 2012.

As a campaign finance check-off does not increase the tax liability or decrease the tax refund of a taxpayer under current law, GPR sum sufficient appropriations provide the funding to the WECF and DTF associated with these campaign finance check-offs. Under the bill, the campaign finance check-off would increase the tax liability or decrease the tax refund of the taxpayer. Effective January 1, 2013, the current law GPR sum sufficient appropriations would be repealed.

[See Miscellaneous Appropriations and State Treasurer--Public Financing of Campaigns for Supreme Court Justice--Democracy Trust Fund for additional information.]

[Bill Sections: 1 thru 18, 748, 752, 756, 757, 774, 775, 884, 885, 1885 thru 1887, and 9418(1)&(2)]

5. CAMPAIGN FINANCE INFORMATION SYSTEM

GPR	$519,500

Governor: Provide: (a) $190,100 in 2011-12, and $224,200 in 2012-13, to provide funding for ongoing maintenance of the campaign finance information system under the Board's contract with the system developer, PCC Technology Group, LLC; and (b) $52,600 annually for master lease payments incurred to provide funding to develop the campaign finance information system. The system is utilized by candidates and political action committees to submit required campaign finance reports with the Board. The system also permits the public to access this campaign finance data online.

6. BOARD MEMBER PER DIEM FUNDING

GPR	$56,600

Governor: Provide $28,300 annually to the Board's general program operations appropriation to provide funding for: (a) board member per diem costs for 12 board meetings annually; and (b) per diem costs for the Board Chair, or the Chair's designee, to canvass each state election event.

In providing funding for the new Government Accountability Board under 2007

Wisconsin Act 20, the Legislature reserved $28,300 GPR annually under the Joint Committee on Finance GPR supplemental appropriation for possible future release to the Board to fund these per diem costs. These funds were requested and provided during the 2007-09 biennium, but this funding was not included in the Board's 2010-11 adjusted base.

7. LOBBYING DATABASE AND WEBSITE

PR	$242,400

Governor: Provide $121,200 annually for application support and development costs, and hosting charges associated with the Board's upgraded lobbying database and website that is currently in development. Estimated costs include: (a) $74,900 annually for additional application development to respond to new functional and performance requirements that may be identified as the upgraded system is deployed; (b) $37,400 annually in application support charges to the Department of Administration's Division of Enterprise Technology (DET) to cover costs associated with repairs of, and modifications and enhancements to the new application during its initial deployment; and (c) $19,200 annually in DET hosting charges for two dedicated servers for which DET will manage the hosting environment, provide web statistics, backups, and server support. While these charges total $131,500 annually, the Board will cover $10,300 annually in charges associated with this request from base resources. As a result, the bill provides $121,200 annually in additional expenditure authority. Program revenue would be provided from lobbying fees which are assessed on individual lobbyists and lobbying principals.

In materials submitted to the Joint Committee on Finance in January, 2011, Board staff indicated that the critical components of the upgraded lobbying database and website would be complete in January, 2011, and that the database and website upgrade could be complete in August, 2011. A Board request for $94,700 PR in project development funding in 2010-11 for the lobbying database and website remains before the Joint Committee on Finance. The lobbying database and website will be utilized to: (a) register lobbying organizations; (b) license and authorize lobbyists to lobby for lobbying organizations; (c) permit online registration and payment for lobbyists and lobbying organizations; (d) record lobbying activity; (e) provide on-line filing of lobbying reports by lobbyists and lobbying organizations; (f) provide public access to lobbying information via the Internet; and (g) provide an auditing functionality for the lobbying program.

8. SALE OF VOTER REGISTRATION LISTS

PR-REV	- $155,800
PR	- $155,800

Governor: Reduce expenditure authority to the Board's PR annual materials and services appropriation by $77,900 PR annually to reflect federal requirements that revenue associated with the sale of voter registration lists must be deposited to the state's election administration fund created under the auspices of the federal Help America Vote Act.

9. WISCONSIN ELECTION CAMPAIGN FUND

SEG	- $642,500

Governor: Reduce expenditure authority by $642,500 in 2011-12, as a reestimate of funds needed for non-Supreme Court campaign finance grants. Total grant levels would be budgeted at $100,000 in 2011-12, and $742,500 in 2012-13.

GOVERNOR

Budget Summary						FTE Position Summary				
				2011-13 Change Over Base Year Doubled					2012-13 Over 2010-11	
	2010-11	Governor					Governor			
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$4,233,200	$4,144,700	$4,144,700	- $177,000	- 2.1%	37.25	37.25	37.25	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$405,200

Governor: Provide adjustments for: (a) full funding of salaries and fringe benefit costs ($201,300 annually); and (b) full funding of leases and directed moves ($1,300 annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $334,000

Governor: Delete $167,000 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

GPR	- $248,200

Governor: Reduce funding by $124,100 annually associated with a 10% reduction to supplies and other non-personnel costs.

4. ELEMENTARY SCHOOL READING TASK FORCE

Governor: Under the Department of Administration, provide $600,000 GPR annually and create an appropriation for the costs to develop and implement a program to assess and improve literacy in elementary school children. Provide that a task force, created by the Governor by executive order and charged with developing detailed recommendations for a program to assess and improve literacy in elementary school children, may request DOA to release funding from the DOA appropriation for use by DOA to implement the recommendations of the task force after the Governor has approved the detailed recommendations proposed by the task force.

[Bill Sections: 726 and 9101(2)]

HEALTH SERVICES

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$2,132,224,600	$2,645,359,500	$2,614,886,100	$995,796,400	23.4%	2,229.72	2,344.29	2,344.29	114.57	5.1%
FED	4,609,740,700	4,832,192,700	4,805,570,100	418,281,400	4.5	959.76	998.20	990.70	30.94	3.2
PR	522,139,900	496,426,300	490,136,000	- 57,717,500	- 5.5	2,383.23	2,342.02	2,340.26	- 42.97	- 1.8
SEG	864,930,400	804,661,600	815,062,800	- 110,136,400	- 6.4	2.00	2.00	2.00	0.00	0.0
TOTAL	$8,129,035,600	$8,778,640,100	$8,725,655,000	$1,246,223,900	7.7%	5,574.71	5,686.51	5,677.25	102.54	1.8%

Budget Change Items

Medical Assistance -- Services

1. OVERVIEW OF MA AND MA-RELATED PROGRAMS

This item presents an overview of the Governor's recommendations relating to the state's medical assistance (MA) and related programs. Table 1 summarizes the total funding that would be provided for benefits under the MA and MA-related programs other than SeniorCare in the 2011-13 biennium in the Governor's budget, by fiscal year and funding source.

TABLE 1

Summary of Medicaid and BadgerCare Plus Benefits Funding

	2011-12				
	GPR	FED	PR	SEG	Total
Base	**$1,416,326,200**	**$4,077,380,700**	**$89,266,800**	**$864,618,200**	**$6,447,591,900**
Cost-to-Continue	$712,561,400	$282,177,600	-$29,686,900	-$65,831,400	$899,220,700
Policy Changes					
Unspecified Program Changes	-$55,971,300	-$86,196,000	$8,900,000	0	-$133,267,300
Family Care Enrollment Cap	-26,726,300	-40,715,800	0	0	-67,442,100
QMB Coinsurance Payments for Medicare Part A	-6,018,700	-9,194,500	0	0	-15,213,200
Eliminate EACH Supplemental Payment	-1,878,400	-2,869,600	0	0	-4,748,000
WIMCR Modifications	-7,244,100	0	0	$5,558,900	-1,685,200
Reduce Reimbursement Rates for ESRD	-595,700	-910,000	0	0	-1,505,700
10% Across-the Board Reductions for Non-Staff Costs	0	0	-105,900	0	-105,900
Eliminate Family Planning Waiver Services for Males	-15,900	-89,900	0	0	-105,800
Subtotal -- Policy Changes	-$98,450,400	-$139,975,800	$8,794,100	$5,558,900	-$224,073,200
Total Gross Funding for MA Benefits	**$2,030,437,200**	**$4,219,582,500**	**$68,374,000**	**$804,345,700**	**$7,122,739,400**
Change to Base					
Amount	$614,111,000	$142,201,800	-$20,892,800	-$60,272,500	$675,147,500
Percent	43.4%	3.5%	-23.4%	-7.0%	10.5%
Adjustment to Reflect "Double-Count" of SEG Transfers from the Hospital Assessment Trust Fund and the Critical Access Hospital Assessment Fund	$0	$0	$0	-$152,446,800	-$152,446,800
Net Funding for MA Benefits	**$2,030,437,200**	**$4,219,582,500**	**$68,374,000**	**$651,898,900**	**$6,970,292,600**

	2012-13				
	GPR	FED	PR	SEG	Total
Base	**$1,416,326,200**	**$4,077,380,700**	**$89,266,800**	**$864,618,200**	**$6,447,591,900**
Cost-to-Continue	$838,960,300	$482,045,000	-$36,873,500	-$72,809,300	$1,211,322,500
Policy Changes					
Unspecified Program Changes	-$134,580,300	-$207,663,100	$8,930,000	$0	-$333,313,400
Family Care Enrollment Cap	-89,210,600	-134,150,900	0	0	-223,361,500
QMB Coinsurance Payments for Medicare Part A	-8,581,600	-13,045,500	0	0	-21,627,100
Eliminate EACH Supplemental Payment	-1,884,000	-2,864,000	0	0	-4,748,000
WIMCR Modifications	-43,639,200	0	0	22,938,000	-20,701,200
Reduce Reimbursement Rates for ESRD	-856,800	-1,302,600	0	0	-2,159,400
10% Across-the Board Reductions for Non-Staff Costs	0	0	-105,900	0	-105,900
Eliminate Family Planning Waiver Services for Males	-57,300	-324,800	0	0	-382,100
Subtotal -- Policy Changes	-$278,809,800	-$359,350,900	$8,824,100	$22,938,000	-$606,398,600
Total Gross Funding for MA Benefits	**$1,976,476,700**	**$4,200,074,800**	**$61,217,400**	**$814,746,900**	**$7,052,515,800**
Change to Base					
Amount	$560,150,500	$122,694,100	-$28,049,400	-$49,871,300	$604,923,900
Percent	39.5%	3.0%	-31.4%	-5.8%	9.4%
Adjustment to Reflect "Double-Count" of SEG Transfers from the Hospital Assessment Trust Fund and the Critical Access Hospital Assessment Fund	$0	$0	$0	-$151,619,800	-$151,619,800
Net Funding for MA Benefits	**$1,976,476,700**	**$4,200,074,800**	**$61,217,400**	**$663,127,100**	**$6,900,896,000**

As shown in Table 1, the MA program is primarily supported by general purpose revenue (GPR) and federal matching funds (FED). In addition, three segregated funds (SEG) support program services -- the hospital assessment trust fund, the critical access hospital assessment fund, and the MA trust fund. Finally, program services are supported from several program revenue (PR) sources, including county contributions to partially support the costs of Family Care, funding transferred to DHS from the University of Wisconsin based on services provided to MA recipients at the UW hospital, and tribal gaming revenues.

Table 2 shows the administration's estimate of the average monthly enrollment in the MA and MA-related programs (excluding SeniorCare) during the 2011-13 biennium. The table reflects the administration's estimate of total enrollment, assuming the implementation of the MA policy changes proposed in the bill.

TABLE 2

Estimates of Average Monthly Enrollment in MA Programs With Implementation of Proposed MA Policy Changes

	Actual				Governor's Estimates		
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Elderly	39,500	38,200	38,100	37,900	37,700	37,200	36,400
% Change from Prior Year		-3.3%	-0.3%	-0.5%	-0.5%	-1.3%	-2.2%
Disabled							
MA Only	73,100	76,500	78,600	85,300	89,000	91,100	92,600
Dual Eligibles	68,600	66,000	74,400	75,600	79,000	80,800	82,100
Total Disabled	141,700	142,500	153,000	160,900	168,000	171,900	174,700
% Change from Prior Year		0.6%	7.4%	5.2%	4.4%	2.3%	1.6%
BadgerCare Plus							
Children	332,300	351,500	392,600	442,900	466,800	468,000	460,800
Adults	161,400	175,400	204,600	241,500	257,600	252,200	241,600
Pregnant Women	11,500	15,300	20,600	21,100	21,600	21,700	21,900
Total BadgerCare Plus	505,200	542,200	617,800	705,500	746,000	741,900	724,300
% Change from Prior Year		7.3%	13.9%	14.2%	5.7%	-0.5%	-2.4%
BadgerCare Plus Core Plan	0	0	12,000	56,000	49,200	47,000	47,000
% Change from Prior Year				366.7%	-12.1%	-4.5%	0.0%
Foster Children	15,500	15,800	16,100	17,000	17,400	17,500	17,700
% Change from Prior Year		1.9%	1.9%	5.6%	2.4%	0.6%	1.1%
Well Women MA	300	500	600	700	700	800	1,000
% Change from Prior Year		66.7%	20.0%	16.7%	0.0%	14.3%	25.0%
Former Family Planning Waiver	54,900	51,700	48,200	50,400	58,600	61,100	61,200
% Change from Prior Year		-5.8%	-6.8%	4.6%	16.3%	4.3%	0.2%
Limited Benefit Medicare Eligibles	8,300	10,500	14,000	15,800	18,300	21,200	24,700
% Change from Prior Year		26.5%	33.3%	12.9%	15.8%	15.8%	16.5%
Total Enrollment	765,400	801,400	899,800	1,044,200	1,095,900	1,098,600	1,087,000
% Change from Prior Year		4.7%	12.3%	16.0%	5.0%	0.2%	-1.1%

Table 3 identifies projected revenues to and expenditures from the segregated MA trust fund (MATF), as reflected in the Governor's budget.

TABLE 3

MA Trust Fund
Estimated Revenues, Expenditures, and Balances

	2010-11	2011-12	2012-13
Beginning Balance	**$497,400**	**$7,112,500**	**$9,759,400**
Projected Revenue			
Nursing Home Certified Public Expenditure Program	$48,884,000	$43,884,000	$38,884,000
Nursing Home Bed Assessment	72,224,200	71,293,900	70,216,800
ICF-MR Bed Assessment	8,565,900	8,610,400	8,513,700
Enhanced Federal Match for Services Provided by Counties	19,068,600	0	0
Federal Funds from Wisconsin Medicaid Cost Reporting Program	0	5,558,900	22,938,000
Interest Expenses	-231,600	-231,600	-231,600
Revenue Transferred from Other Funds			
Hospital Assessment Revenue	203,452,700	147,896,600	147,112,600
Critical Access Hospital Assessment Revenue	5,218,700	3,793,600	3,773,500
Ambulatory Surgery Center Assessment Revenue	16,600,000	16,600,000	16,600,000
Permanent Endowment Fund	50,000,000	50,000,000	50,000,000
UW Lapse for UW Physicians Intergovernmental Transfer	25,000,000	27,500,000	27,500,000
HealthCheck Services Provided by Residential Care Centers	12,800,000	7,000,000	7,000,000
Total Funds Available	**$462,079,900**	**$389,018,300**	**$402,066,400**
Expenditures			
MA Benefits	$440,531,400	$379,258,900	$389,660,100
Required Lapse to General Fund	7,021,400	0	0
Carryover of Unexpended Authority from 2009-10	7,414,600	0	0
Total Expenditures	**$45,467,400**	**$379,258,900**	**$389,660,100**
Closing Balance	**$7,112,500**	**$9,759,400**	**$12,406,300**

Table 4 summarizes the total funding that would be provided for benefits under the Family Care program in the 2011-13 biennium in the Governor's budget, by fiscal year and funding source.

TABLE 4

Family Care Benefits Funding

	GPR	FED	PR	All Funds
2011-12				
Base Funding	$447,005,300	$942,258,300	$62,795,800	$1,452,059,400
Cost-to-Continue	95,061,900	-39,726,300	-14,063,800	41,271,800
Family Care Enrollment Cap	-28,306,800	-43,242,700	0	-71,549,500
Total Funding for Family Care Benefits	$513,760,400	$859,289,300	$48,732,000	$1,421,781,700
Total Change to Base	$66,755,100	-$82,969,000	-$14,063,800	-$30,277,700
2012-13				
Base Funding	$447,005,300	$942,258,300	$62,795,800	$1,452,059,400
Cost-to-Continue	149,483,600	27,712,700	-21,220,400	155,975,900
Family Care Enrollment Cap	-93,900,300	-142,745,100	0	-236,645,400
Total Funding for Family Care Benefits	$502,588,600	$827,225,900	$41,575,400	$1,371,389,900
Total Change to Base	$55,583,300	-$115,032,400	-$21,220,400	-$80,669,500

Table 5 summarizes the total funding that would be provided for aging and disability resource centers (ADRCs) in the 2011-13 biennium in the Governor's budget, by fiscal year and funding source.

TABLE 5

Family Care ADRC Funding

	GPR	FED	All Funds
2011-12			
Base Funding	$33,492,300	$10,064,000	$43,556,300
ADRC Expansion	273,200	106,200	379,400
Total Funding	$33,765,500	$10,170,200	$43,935,700
2012-13			
Base Funding	$33,492,300	$10,064,000	$43,556,300
ADRC Expansion	4,287,200	1,667,200	5,954,400
Total Funding	$37,779,500	$11,731,200	$49,510,700

2. BASE REESTIMATES

GPR-Lapse	$24,950,000
GPR	$1,584,738,100
FED	764,222,600
PR	- 22,176,100
SEG	- 138,640,700
Total	$2,188,143,900

Governor: Provide $937,649,000 ($729,499,400 GPR, $282,177,600 FED, -$8,196,600 PR, and -$65,831,400 SEG) in 2011-12 and $1,250,494,900 ($855,238,700 GPR, $482,045,000 FED, -$13,979,500 PR, and -$72,809,300 SEG) in 2012-13 to fund the administration's estimate of the increased cost to provide benefits under the state's medical assistance (MA) and MA-related programs (excluding SeniorCare) during the 2011-13 biennium under current law.

This item incorporates the administration's projection that the state's federal medical assistance percentage (FMAP), which is the portion of most MA benefit expenditures funded by federal MA matching funds, will average 60.44% in 2011-12 and 60.32% in 2012-13. Those projected FMAPs are significantly lower than the state's average FMAP (68.75%) in 2010-11. The decline is attributable to the June 30, 2011 expiration of the enhanced FMAP the state received under the American Recovery and Reinvestment Act of 2009 (ARRA). The administration has estimated that $660,254,700 GPR and $666,606,600 GPR is required in 2011-12 and 2012-13, respectively, to replace the reduced federal MA matching funds the state will receive as a result of the projected FMAP declines. That additional GPR, and a corresponding decrease in FED, is reflected in the funding amounts in this item.

MA Benefits Funding. This item includes increased funding for MA benefits by $899,220,700 ($712,561,400 GPR, $282,177,600 FED, -$29,686,900 PR and -$65,831,400 SEG) in 2011-12 and $1,211,322,500 ($838,960,300 GPR, $482,045,000 FED, -$36,873,500 PR and -$72,809,300 SEG) in 2012-13.

Adjustments to Other Appropriations. In addition, this item adjusts funding for several appropriations that are related to the MA program, but which are not usually included in defining the MA budget. These appropriations are excluded from Table 1 under Item 1 ("Overview of MA and MA-Related Programs"). These adjustments include: (a) increases in funding for the community options program ($28,311,200 GPR annually); (b) reductions in funding for community aids (-$11,373,200 GPR in 2011-12 and -$12,032,800 GPR in 2012-13) related to the Wisconsin Medicaid cost reporting (WIMCR) program; (c) increased funding from premiums paid by BadgerCare Plus enrollees ($10,006,100 PR in 2011-12 and $10,049,400 PR in 2012-13); and (d) reestimates of premium revenue under the BadgerCare Basic program ($11,484,200 PR in 2011-12 and $12,844,600 PR in 2012-13).

Lapse from MA Benefits GPR Appropriation. Notwithstanding current law regarding the treatment of biennial appropriations, direct DHS to lapse to the general fund from a biennial GPR appropriation that funds MA benefit costs, no more than $24,950,000 in the first fiscal year of the fiscal biennium in which this provision takes effect.

[Bill Section: 9221(1)]

3. UNSPECIFIED PROGRAM CHANGES

GPR	- $190,551,600
FED	- 293,859,100
PR	17,830,000
Total	- $466,580,700

Governor: Reduce medical assistance (MA) benefits funding by $133,267,300 (-$55,971,300 GPR, -$86,196,000 FED, and $8,900,000 PR) in 2011-12 and by $333,313,400 (-$134,580,300 GPR, -$207,663,100 FED, and $8,930,000 PR) in 2012-13 to reflect the administration's estimates of savings that would result by making changes to MA and related programs. The bill contains no statutory changes that would indicate how DHS would realize these savings. However, it is anticipated that for at least some of the proposed changes, DHS would exercise the rulemaking authority provided in 2011 Wisconsin Act 10. Act 10 authorized DHS to promulgate rules that could supersede a number of current statutes relating to the MA program, including statutes pertaining to program eligibility, services, plan structure, and recipient cost-sharing requirements. In some instances, the proposed changes would require a waiver of current federal law from the federal Department of Health and Human Services. The Act 10 provisions will sunset on January 1, 2015.

The administration has provided a general description of the types of program changes it intends to pursue. First, DHS would seek to enroll more MA recipients in the benchmark plan, which provides more limited benefits and greater cost-sharing requirements for recipients than the standard plan. DHS would propose to revise cost-sharing requirements to be more comparable with private health insurance coverage, but would limit total copayments, coinsurance, and premiums a family would pay to five percent of the family's income.

Second, DHS would seek to require certain groups of individuals to enroll in other available plans prior to enrolling in MA. One such group would be young adults who are currently enrolled in BadgerCare Plus who are eligible for coverage under their parents' policies. Third, DHS would review current standards for state residency, revise retroactive eligibility and eligibility grace period policies, and seek to improve the accuracy of eligibility determinations. Fourth, DHS would seek to develop service delivery models, such as health homes, to improve care management and implement systems to coordinate care across Medicaid and Medicare for recipients eligible for both programs. Fifth, DHS intends to review provider reimbursement methodologies to place greater emphasis on improving care outcomes. Finally, DHS expects to generate savings by improving provider program integrity.

4. FAMILY CARE -- ENROLLMENT CAP

GPR	- $115,936,900
FED	- 174,866,700
Total	- $290,803,600

Governor: Reduce funding by $67,442,100 (-$26,726,300 GPR and -$40,715,800 FED) in 2011-12 and by $223,361,500 (-$89,210,600 GPR and -$134,150,900 FED) in 2012-13 to reflect estimates of savings that would result by placing a cap on enrollment in Family Care and related programs in the 2011-13 biennium. Family Care and its related programs [the Family Care Partnership Program, the Program for All-Inclusive Care for the Elderly (PACE), and the Include, Respect, I Self-Direct (IRIS) program] provide long-term care services to medical assistance (MA) recipients who meet financial and functional eligibility requirements in counties where these programs operate. The long-term care benefits individuals enrolled in these programs receive include many services that are not available under the MA standard plan.

Prohibit DHS from enrolling, in a county, more persons into the Family Care, Family Care Partnership, PACE, or IRIS program than the number of persons participating in each of those programs in that county on June 20, 2011, or the effective date of the provision, whichever is later. The enrollment cap would not apply after June 30, 2013.

Prohibit DHS from proposing to contract with entities to administer the Family Care benefit in a county in which the Family Care benefit is not available on July 1, 2011, unless DHS determines that administering the Family Care benefit in such a county would be more cost-effective than the county's current mechanism for delivering long-term care services. This prohibition would be in effect from July 1, 2011, through June 30, 2013.

Currently, home and community-based waiver recipients that choose to enroll in one of these programs are transitioned to the program of their choosing during the first six months the program is offered in their county. Family Care and its related programs replace most home and community-based waiver programs in participating counties. Individuals on the waitlist for a waiver program can transition to Family Care over the first three years the program is offered. All MA recipients in participating counties who meet financial and functional eligibility standards for these programs are entitled to enroll in these programs three years after the program is first offered.

Under the "MA Base Reestimate" item, the funding change for MA benefits costs is based on current law, which permits counties currently participating in Family Care to continue to increase enrollment in these programs throughout the 2011-13 biennium. In the "MA Base Reestimate" item, the administration estimates that approximately 52,100 would be enrolled in these long-term care programs as of June 30, 2013.

This item deletes funding that would be provided as part of the MA Base Reestimate item relating to projected enrollment increases. The funding reduction reflects the administration's estimates that approximately 42,300 individuals will be enrolled in these long-term care programs as of June 20, 2011, including 34,700 in Family Care; 4,700 in the Family Care Partnership and PACE programs; and 2,900 in IRIS; and that enrollment will remain constant throughout the 2011-13 biennium.

Family Care Benefits. This item includes decreased funding for Family Care benefits by $71,549,500 (-$28,306,800 GPR and -$43,242,700 FED) in 2011-12 and by $236,645,400 (-$93,900,300 GPR and -$142,745,100 FED) in 2012-13.

Adjustments to Other Appropriations. In addition, this item adjusts funding for several appropriations that are related to the Family Care program, but which are not usually included in defining the Family Care budget. These appropriations are excluded from Table 4 under Item 1 ("Overview of MA and MA-Related Programs"). These adjustments include: (a) increases in MA program benefits ($6,157,500 GPR and $2,513,400 FED in 2011-12 and $19,843,900 GPR and $8,518,500 FED in 2012-13); (b) decreases in MA waiver benefits (-$4,582,100 GPR in 2011-12 and -$15,183,400 GPR in 2012-13); and (c) increases in health care for low-income families ($5,100 GPR and $13,500 FED in 2011-12 and $29,200 GPR and $75,700 FED in 2012-13).

[Bill Sections: 9121(1) thru (5)]

5. FAMILY CARE -- AGING AND DISABILITY RESOURCE CENTERS

GPR	$4,560,400
FED	1,773,400
Total	$6,333,800

Governor: Provide $379,400 ($273,200 GPR and $106,200 FED) in 2011-12 and $5,954,400 ($4,287,200 GPR and $1,667,200 FED) in 2012-13 for the following purposes: (a) to fully fund aging and disability resource centers (ADRCs) that began offering services in the 2009-11 biennium for which partial year funding is provided in the agency's base budget; and (b) to fund ADRCs that the administration expects will begin providing services in 13 counties, beginning in 2011-12.

6. SENIORCARE -- BASE REESTIMATE

GPR	- $5,584,200
FED	- 11,372,900
PR	2,856,500
Total	- $14,100,600

Governor: Reduce funding for SeniorCare benefits by $11,874,500 (-$4,123,300 GPR, -$6,995,900 FED, and -$755,300 PR) in 2011-12 and by $2,226,100 (-$1,460,900 GPR, -$4,377,000 FED, and $3,611,800 PR) in 2012-13 to reflect the administration's estimate of the amount of funding needed to support SeniorCare benefits in the 2011-13 biennium under current law.

SeniorCare provides prescription drug benefits to Wisconsin residents who are age 65 or older and who are not eligible for full benefits under medical assistance (including prescription drug coverage). The program has four benefit levels, based on the enrollee's income. Level 1 is for individuals whose incomes are not greater than 160% of the federal poverty level (FPL). These enrollees do not have to meet a deductible. Level 2a is for individuals with incomes greater than 160% of the FPL but not greater than 200% of the FPL. These enrollees must meet a $500 annual deductible (satisfied by incurring prescription drug costs equal to the amount of the deductible). Level 2b is for individuals with incomes greater than 200% of the FPL but not greater than 240% of the FPL. These enrollees must meet an $850 annual deductible. Level 3 is for individuals with incomes greater than 240% of the FPL. These enrollees must first "spend down" by incurring prescription drug costs equal to the difference between their income and 240% of the FPL. After they satisfy their spend-down requirement, these enrollees must meet an $850 annual deductible. Once an enrollee meets their deductible, if any, they can obtain prescription drugs covered by the SeniorCare program by paying a $5 copayment for generic drugs and a $15 copayment for brand name drugs.

Enrollees in Level 1 and Level 2a are part of the SeniorCare waiver program, which operates pursuant to a waiver agreement between DHS and the federal government. That agreement expires on December 31, 2012. Under its terms, the state receives federal matching funds at its FMAP rate for costs related to Level 1 and Level 2a enrollees. SeniorCare enrollees in Level 2b and Level 3 are not part of the waiver, and the state does not receive federal matching funds to partially offset their prescription drug costs. In addition to federal matching funds, SeniorCare benefits are funded by GPR and the rebates the state receives from drug manufacturers whose prescription drugs are obtained by program enrollees.

SeniorCare benefits expenditures totaled $114,696,400 ($18,273,100 GPR, $16,741,000 FED, and $79,682,300 PR) in 2009-10. The PR represents drug manufacturer rebates. Program expenditures in 2009-10 were approximately 8% less than the prior year. DHS attributes the decrease to declining utilization of services, perhaps due in part to enrollees' greater utilization of Medicare Part D, and to moderating drug price inflation. Those trends are expected to have continued in 2010-11, with SeniorCare expenditures projected to decrease to approximately $100 million (all funds).

The following table shows base funding for the SeniorCare program, and the administration's estimate of the program's cost-to-continue requirements for the 2011-13 biennium, assuming no changes to current law:

SeniorCare Benefit Expenditure
Base Funding and Administration's Estimated Cost-to-Continue
2011-13 Biennium

	2010-11 Base Funding	2011-12 Projected	2012-13 Projected	2011-12 Change to Base	2012-13 Change to Base	Biennium Change to Base
GPR	$33,125,800	$29,002,500	$31,664,900	-$4,123,300	-$1,460,900	-$5,584,200
FED	36,924,200	29,928,300	32,547,200	-6,995,900	-4,377,000	-11,372,900
PR	49,485,400	48,730,100	53,097,200	-755,300	3,611,800	2,856,500
	$119,535,400	$107,660,900	$117,309,300	-$11,874,500	-$2,226,100	-$14,100,600

In 2009-10, average weekly enrollment in the SeniorCare program was 87,700 individuals, which was unchanged from the prior year. In 2010-11 and during the 2011-13 biennium, the administration expects enrollment to increase approximately 2% per year. These trends are shown in the following table:

Actual and Projected Average Weekly SeniorCare Enrollment,
by Participation Level
Fiscal Years 2009-10 through 2012-13

SeniorCare Participation Level	2009-10 Actual	2010-11 Projected	2011-12 Projected	2012-13 Projected
0 to 160% FPL	39,500	40,000	40,700	41,500
> 160% to 200% FPL	20,700	21,200	21,500	21,900
> 200% to 240% FPL	11,800	11,900	12,100	12,300
> 240% FPL	15,700	16,700	17,100	17,400
	87,700	89,800	91,400	93,100
Percent Change from Prior Year	0.0%	2.4%	1.8%	1.9%

The bill contains one other item that would affect funding for the SeniorCare program during the 2011-13 biennium. That item is summarized separately under "SeniorCare -- Required Medicare Part D Application and Enrollment."

7. SENIORCARE -- REQUIRED MEDICARE PART D APPLICATION AND ENROLLMENT

GPR	- $15,000,000
FED	- 15,000,000
PR	- 24,900,000
Total	- $54,900,000

Governor: Reduce funding for SeniorCare benefits by $18,300,000 (-$5,000,000 GPR, -$5,000,000 FED, and -$8,300,000 PR) in 2011-12 and by $36,600,000 (-$10,000,000 GPR, -$10,000,000 FED, and -$16,600,000 PR) in 2012-13 to reflect the administration's estimate of the savings that would result from requiring SeniorCare participants to apply for and, if eligible, enroll in Medicare Part D.

Statutory Change. Require all individuals who apply for SeniorCare benefits on or after the bill's effective date to apply for, and if eligible, enroll in Medicare Part D, if the Secretary of the Department of Health and Human Services approves this new condition of eligibility for SeniorCare. Specify that individuals who are enrolled in SeniorCare as of the bill's effective date would not be required to comply with the new requirement before January 1, 2012.

Current law does not require SeniorCare participants to enroll in Medicare Part D or in any other type of third-party prescription drug coverage, although some participants do. Of the 91,000 individuals currently enrolled in SeniorCare, approximately 12,100 also have prescription drug coverage under Medicare Part D. SeniorCare is a payer of last resort for individuals with other drug coverage.

Funding Change. The administration's savings estimate assumes SeniorCare will be responsible for enrollees' prescription drug costs that are not covered by Medicare Part D, such as Medicare Part D cost-sharing requirements beyond the existing SeniorCare cost-sharing requirements and the portion of enrollees' drug costs that would otherwise be paid by enrollees while they are in the Medicare Part D "doughnut hole," to the extent these prescription drugs are covered by SeniorCare. Under the bill, SeniorCare would not be responsible for paying the Medicare Part D premiums enrollees would be required to pay as a condition of participating in the SeniorCare program.

[Bill Sections: 1480, 1481, and 9121(11)]

8. QMB COINSURANCE PAYMENTS FOR MEDICARE PART A SERVICES

GPR	- $14,600,300
FED	- 22,240,000
Total	- $36,840,300

Governor: Reduce funding for medical assistance (MA) benefits by $15,213,200 (-$6,018,700 GPR and -$9,194,500 FED) in 2011-12 and by $21,627,100 (-$8,581,600 GPR and -$13,045,500 FED) in 2012-13 to reflect the administration's estimates of savings that would be realized by reducing MA payments to health care providers for services covered under Medicare Part A to qualified Medicare beneficiaries (QMBs).

Federal law requires state MA programs to provide financial assistance to certain low-income elderly and disabled individuals who are entitled to coverage under Medicare Part A but who do not qualify for full benefits under the state's MA program. One such group of individuals is referred to as QMBs. For individuals who meet the QMB eligibility criteria (limited resources and income not greater than 100% of the federal poverty level), the state's MA program pays their Medicare Part A premium (if any), their Part B premium, their Medicare deductible, and their Medicare coinsurance obligations.

With respect to Medicare coinsurance obligations, current state law makes a distinction between Part A services and Part B services. Currently, the state's MA program pays 100% of QMBs' coinsurance requirements for Medicare Part A services (which include inpatient hospital services, post-hospital extended care services provided in nursing homes, and certain home health care services). For Medicare Part B services (which include physician services), the state's MA program covers QMBs' Medicare coinsurance obligations, subject to the limitation that such payments cannot exceed the allowable charges for the service under the MA program minus the Medicare payment.

The bill would extend this limitation to QMBs' coinsurance obligations for all Medicare Part A services such that the MA program's payment of Medicare Part A coinsurance obligations on behalf of QMBs could not exceed the allowable charge under the MA program for those services less the Medicare payment.

[Bill Sections: 1455 and 1456]

9. WISCONSIN MEDICAID COST REPORTING PROGRAM

GPR	- $15,812,500
SEG	28,496,900
Total	$12,684,400

Governor: Reduce funding by $1,685,200 (-$7,244,100 GPR and $5,558,900 SEG) in 2011-12 and increase funding by $14,369,600 (-$8,568,400 GPR and $22,938,000 SEG) in 2012-13 to reflect the projected net fiscal effect of changes to the Wisconsin Medicaid Cost Reporting (WIMCR) program.

This item includes: (a) reducing MA benefits funding by $1,685,200 (-$7,244,100 GPR and $5,558,900 SEG) in 2011-12 and by $20,701,200 (-$43,639,200 GPR and $22,938,000 SEG) in 2012-13; and (b) increasing funding for community aids by $35,070,800 GPR in 2012-13.

Currently, counties report to DHS their full costs for providing certain medical assistance (MA) services to individuals. The MA program makes payment adjustments (the WIMCR payment) to those counties to reimburse them for the difference between their reported service costs and the MA program's standard reimbursement rates. These WIMCR payments are funded by a combination of GPR and federal MA matching funds. The amount of funding each county receives under the county's community aids basic county allocations (BCA) is reduced by the amount of these WIMCR payments. Because the WIMCR payment is funded by a combination of GPR and FED, and the BCA payments are funded completely with GPR, the net result of the WIMCR transactions is a decrease in GPR costs to the state.

The state currently shares $19.25 million of the annual WIMCR savings with counties by reducing their BCA payment by $19.25 million less than the full amount of the WIMCR payment. That $19.25 million is distributed to counties using a two-step process. First, counties that participated in the community services deficit reduction benefit (CSDRB), a voluntary certified public expenditure (CPE) program that WIMCR replaced, receive an amount equal to their 2002 CSDRB claim, or the FED share of their current WIMCR claim, whichever is less. The remainder of the $19.25 million is distributed to all 72 counties based on the relative size of their current WIMCR claim.

The bill would modify current law relating to the WIMCR program as follows. First, it would establish two methods by which DHS could make additional payments to counties for certain MA-covered services they provide. The first method would be identical to the current WIMCR program.

The second method would be through a certified public expenditure (CPE) program by which counties would be required to submit to DHS certified cost reports that meet the requirements of the U.S. Department of Health and Human Services (DHHS) for certain MA-covered services they provide. DHS would claim federal MA matching funds based on those certified cost reports, and pay counties a percentage of those federal matching funds based on a percentage established in the most recent biennial budget. The bill would also establish a similar claiming process based on certified cost reports for local health departments that provide these same MA-covered services.

The bill would require DHS to select which of these two payment procedures it will use, and allow DHS to change the procedure it selects. DHS would be required to notify each county department and each local health department, as applicable, of the selected payment procedure before the date on which payment is made.

If DHS selects the first method, the bill authorizes the Department to make the WIMCR payment and to adjust the counties' BCA payments as provided under the current WIMCR program, with two modifications: (a) the bill would allow DHS to require a county department or a local health department to submit a certified cost report that meets the requirements of DHHS for the MA-covered services in question; and (b) the bill would no longer allow DHS to make WIMCR payments for several MA-covered services, including home health services, personal care services, and respiratory care services for ventilator-dependent individuals, if those services are provided on or after January 1, 2012. The CPE program under the newly-created second method, however, would allow counties and local health departments to submit certified cost reports for most of those services.

The administration assumes the following fiscal effects associated with the statutory changes to the WIMCR program contained in the bill:

	GPR	SEG	Total
2011-12			
Reduce WIMCR Payments	-$1,685,200	$0	-$1,685,200
Increase BCA Payments by eliminating the WIMCR Adjustment	0	0	0
Deposit Portion of the CPE FED revenue to the MA Trust Fund	0	5,558,900	5,558,900
Reduce GPR-Funded MA Benefit Expenditures	-5,558,900	0	-5,558,900
	-$7,244,100	$5,558,900	-$1,685,200
2012-13			
Reduce WIMCR Payments	-$20,701,200	$0	-$20,701,200
Increase BCA Payments by eliminating the WIMCR Adjustment	35,070,800	0	35,070,800
Deposit Portion of the CPE FED revenue to the MA Trust Fund	0	22,938,000	22,938,000
Reduce GPR-Funded MA Benefit Expenditures	-22,938,000	0	-22,938,000
	-$8,568,400	$22,938,000	$14,369,600
Biennium			
Reduce WIMCR Payments	-$22,386,400	$0	-$22,386,400
Increase BCA Payments by eliminating the WIMCR Adjustment	35,070,800	0	35,070,800
Deposit Portion of the CPE FED revenue to the MA Trust Fund	0	28,496,900	28,496,900
Reduce GPR-Funded MA Benefit Expenditures	-28,496,900	0	-28,496,900
	-$15,812,500	$28,496,900	$12,684,400

The fiscal changes reflect the administration's assumption that DHS will begin using the CPE program, rather than the current WIMCR program, for services provided on or after January 1, 2012. Most of the GPR savings assumed in the bill are one-time savings attributed to the fact that 2009 Act 28 required DHS to make approximately 25% of the BCA payments in the first half of the calendar year and 75% of the BCA payment in the second half of the calendar year. As a result, the BCA payment budgeted in the first half of the calendar year is not large enough to accommodate the full reduction needed to adjust for the corresponding WIMCR payments. Consequently, the GPR savings the state receives from the BCA adjustment is deferred into the next state fiscal year (and, in the case of odd-numbered years, into the next fiscal biennium). By implementing the CPE program that would be created under the bill for service dates beginning January 1, 2012, the administration assumes the state will be able to benefit from the full amount of the CPE FED claim during the 2011-13 biennium.

[Bill Sections: 657, 1307, 1431, and 1444 thru 1449]

10. ESSENTIAL ACCESS CITY HOSPITAL SUPPLEMENTAL PAYMENT

GPR	- $3,762,400
FED	- 5,733,600
Total	- $9,496,000

Governor: Reduce funding for medical assistance (MA) benefits by $4,748,000 (-$1,878,400 GPR and -$2,869,600 FED) in 2011-12 and by $4,748,000 (-$1,884,000 GPR and -$2,864,000 FED) in 2012-13 to delete funding DHS uses to make an annual supplemental payment to an essential access city hospital (EACH) under the MA program. Repeal the current statutory provision that authorizes DHS to make this supplemental payment.

Currently, DHS is authorized to make a supplemental payment to an EACH of no more than $4,748,000 (all funds) annually. For these purposes, Wisconsin's inpatient hospital state plan defines an EACH, in part, as a hospital which during the period July 1, 1995 through June 30, 1996, was located in the inner city of Milwaukee and served a requisite percentage of MA recipients. Since the EACH payment was established, the only hospital to receive a supplemental payment under these provisions has been the Aurora Sinai Medical Center in the City of Milwaukee.

[Bill Section: 1433]

11. REDUCE MA PAYMENT RATES FOR SERVICES RELATED TO END STAGE RENAL DISEASE

GPR	- $1,452,500
FED	- 2,212,600
Total	- $3,665,100

Governor: Reduce funding for medical assistance (MA) benefits by $1,505,700 (-$595,700 GPR and -$910,000 FED) in 2011-12 and by $2,159,400 (-$856,800 GPR and -$1,302,600 FED) to reflect projected savings DHS would realize by reducing MA payment rates for services related to end stage renal disease. Currently, the MA program pays providers the same rates that the federal Medicare program pays for these services. The savings projected under this item reflect the Department's plan to reduce MA provider reimbursement rates to levels below the Medicare rates.

12. ELIMINATE FAMILY PLANNING WAIVER SERVICES FOR MALES

GPR	- $73,200
FED	- 414,700
Total	- $487,900

Governor: Reduce funding for medical assistance (MA) benefits by $105,800 (-$15,900 GPR and -$89,900 FED) in 2011-12 and by $382,100 (-$57,300 GPR and -$324,800 FED) in 2012-13 to reflect the administration's estimate of the savings that would result from eliminating family planning service to males who qualified for those services under the state's former family planning waiver program, effective January 1, 2012.

2009 Act 28 authorized DHS to seek a waiver from the U.S. Department of Health and Human Services to expand the state's then-existing family planning waiver program to include males ages 15 through 44 with family incomes not greater than 200% of the federal poverty level, and authorized DHS to implement the amended waiver if it was approved. That waiver request was granted, and DHS began providing family planning services to these males effective May 1, 2010. That waiver agreement expired on October 31, 2010, and pursuant to provisions in the federal Patient Protection and Affordable Care Act, DHS now provides these family planning services to males as an optional service under the state's MA plan. The bill would repeal the Act 28 provision that authorized DHS to request a modification to the then-existing family planning waiver program to include services to males, effective January 1, 2012.

[Bill Sections: 1440, 1441, and 9421(7)]

13. THIRD PARTY CLAIMS ADMINISTRATOR -- COUNTY PAYMENTS

PR	$24,010,300

Governor: Provide $11,237,000 in 2011-12 and $12,773,300 in 2012-13 to permit DHS to pay a third party administrator (TPA) to administer and pay claims for services children receive under the medical assistance (MA) children's long-term support (CLTS) waiver program and the Birth-to-3 waiver program.

Authorize DHS to collect the following revenues from counties, which would be credited to a new, continuing program revenue (PR) appropriation for the TPA to administer and pay for services under these programs: (a) funding for payments that counties formerly made to providers for locally-funded CLTS waiver services and services provided under the Birth-to-3 waiver program; and (b) the non-federal share of the TPA administrative costs for any locally funded CLTS waiver services created after January 1, 2011, and for the Birth-to-3 waiver.

Establish a new PR appropriation to receive monies from counties for the nonfederal share of costs for administration and MA services provided under the Birth-to-3 and CLTS waiver programs. Permit, rather than require, DHS to distribute to counties that provide Birth-to-3 services, the amount of federal monies received by the state as the federal share of MA for Birth-to-3 services, minus the amount used by DHS to administer the Birth-to-3 program.

As a condition of the waiver agreements with the Centers for Medicare and Medicaid Services, the state must administer program payments through an integrated Medicaid Management Information System (MMIS). As the previous system for CLTS waiver administration did not meet that MMIS standard, DHS has contracted with Wisconsin Physicians Service (WPS) to act as a TPA for these programs.

The following table shows the amounts that the administration projects would be transferred from counties to the state in each year of the biennium.

	2011-12	2012-13
CLTS Waiver Benefits (Locally-Funded Services)	$8,809,900	$10,311,800
CLTS Waiver TPA Administrative Costs (Locally-Funded Services)	31,100	65,500
Birth-to-3 Waiver Benefits	2,080,800	2,080,800
Birth-to-3 Waiver TPA Administrative Costs	315,200	315,200
Total	$11,237,000	$12,773,300

[Bill Sections: 658, 1271, and 1313 thru 1316]

14. WISCONSIN QUALITY HOME CARE AUTHORITY

GPR	- $550,000
FED	- 450,000
Total	- $1,000,000

Governor: Reduce funding by $275,000 GPR and $225,000 FED annually to eliminate base funding for the Wisconsin Quality Home Care Authority (WQHCA). 2011 Wisconsin Act 10 repealed all statutory provisions relating to the WQHCA and required the transfer of all of the Authority's assets, liabilities, personal property (including records), and contracts to DHS. The act directed DHS to carry out any obligations under such contracts until the contract is modified or rescinded by DHS to the extent allowed under the contract.

This item would delete all base funding that would be available to support WCHCA or its precursor organization, the Dane County Quality Home Care Commission, beginning in 2011-12.

15. CREATE PROGRAM REVENUE APPROPRIATION FOR REBATES AND OTHER COLLECTIONS RELATED TO THE MA PROGRAM

Governor: Create a program revenue appropriation in DHS to receive provider refunds, third party liability payments, drug rebates, audit recoveries, and other collections related to benefit expenditures under the medical assistance (MA) program, regardless of the fiscal year in which the original benefit expenditure was made. Require that the program revenues received into the new appropriation be used to support a portion of the state share of the benefits provided under the MA, BadgerCare Plus, Family Care, and other related programs, and include references to the new appropriation in current provisions relating to funding for these programs. Modify provisions relating to the refund of expenditures to allow DHS to receive these program revenues into the new appropriation, and to use these program revenues to support program benefits, regardless of the fiscal year in which the original benefit expenditure was made.

Under current state law, any amount not otherwise appropriated that is received by an agency as a result of an adjustment made to a previously recorded expenditure from a sum certain appropriation to that agency due to activities that are of a temporary nature or activities that could not be anticipated during budget development and which serves to reduce or eliminate the previously recorded expenditure in the same fiscal year in which the previously recorded expenditure was made may, upon the request of the Secretary of the Department of Administration, be designated as a refund of an expenditure. Current law further provides that revenue received by an agency incidentally in connection with GPR appropriations in the course of accomplishing program objectives that is not designated as a refund of an expenditure by the DOA Secretary, and for which no program revenue appropriation is made, must be designated as GPR-Earned and must be treated as a non-appropriated receipt that is not available to the agency for expenditure.

The DHS practice has been to credit various sources of program revenue against the state share of the benefit expenditures made under the MA and MA-related programs, regardless of when DHS made the benefit expenditure to which the program revenue relates. For example, a major source of program revenue for the MA program is the rebates the state receives from drug manufacturers that supply prescription drugs to program recipients. The current DHS budgeting practice is to estimate the amount of those rebates and other collections that will be received during the state fiscal biennium, and to build those revenue estimates into its GPR funding request for the biennium. The Department then credits those rebates and other collections as they are received against the GPR appropriations that support those program benefits, regardless of the year in which the state expenditure that generated the rebate or collection was made. This practice is technically in violation of the current statutory provisions related to refunds received for previously recorded expenditures not made in the same fiscal year as the refund was received.

The statutory changes proposed in the bill would allow DHS to receive all such refunds into a new program revenue appropriation, and to use those program revenue to support MA benefit costs, regardless of whether the program revenue relates to an expenditure made during that same fiscal year.

[Bill Sections: 366, 644, 1293 thru 1298, 1304, 1305, 1427, 1429, 1432, 1434 thru 1436, 1439, 1443, 1445, 1463, 1464, 1470, and 2189]

16. STATE MATCH FOR COMMUNITY RECOVERY SERVICES

Governor: Permit counties to use GPR funding DHS currently distributes for several community-based support services (community support services, community-based psychosocial services, and mental health crisis intervention services) to also fund the required state match for MA-eligible community recovery services. Base GPR funding for community-based support services is $4,175,000 GPR annually. The bill would provide a total of $3,757,500 GPR annually for community-based support services programs, including community recovery services, to reflect the Governor's recommendations to reduce most GPR appropriations by 10% (-$417,500) annually. This funding reduction is summarized under a separate item.

Community recovery services are home- and community-based services provided to certain MA recipients with mental illnesses. Each county may choose whether or not to provide these services. If a county chooses to offer community recovery services to MA recipients in the county, the county is required to provide the state match, but receives federal MA matching funds to partially support these services.

[Bill Section: 654]

17. CERTIFICATION AND REGULATION OF ONE- AND TWO-BED ADULT FAMILY HOMES

Governor: Delete all statutory provisions enacted as part of 2009 Act 28 relating to the certification and regulation of one- to two-bed adult family homes (AFHs), including the requirement that DHS do the following: (a) certify one- to two-bed AFHs in accordance with standards established by the Department; (b) investigate violations of the standards; (c) revoke the certification of a one- to two- bed AFH violating the standards; and (d) charge a fee for certification.

Under current law, a one- to two-bed AFH is defined as a place in which the operator provides care, treatment, support, or services above the level of room and board to up to two adults. After the date on which the Family Care benefit becomes available in a county, no person may operate a one- to two-bed AFH in the county, unless the home is certified by DHS, if the home provides services to: (a) supplemental security income (SSI) recipients; (b) Family Care enrollees; or (c) individuals who receive long-term care services under any of the state's medical assistance waiver programs. DHS is required to certify these homes in accordance with standards established by the Department. A home's certification is valid until it is revoked by DHS. DHS is authorized to investigate complaints that an AFH violated a standard of certification and revoke certification in cases where these standards have been violated. One- to two-bed AFHs are exempt from several provisions that apply to other AFHs, such as services to residents provided by the Board on Aging and Long-term Care and city planning requirements.

DHS has not implemented the certification system authorized in Act 28, but instead has developed an alternative process for ensuring quality in one- and two-bed AFHs, which it could implement through its contracts with managed care organizations (MCOs) and counties, and would not require additional legislation. Under this alternative process:

- Each Family Care MCO would be responsible for initial and ongoing certification of one- and two-bed AFHs that serve its members. MCOs would be responsible for provider network development;

- In Family Care counties, counties would be responsible for certifying one to two-bed AFHs that serve county-funded clients and homes serving SSI recipients;

- In non-Family Care counties, counties would be responsible for certifying one- to two- bed AFHs serving individuals enrolled in the medical assistance (MA) home-and community-based long-term care waiver programs;

- DHS would be responsible for certifying one- to two-bed AFHs used by individuals enrolled in the I Respect, I Self-Direct (IRIS) program;

- As under current practice, there would be no required certification for one- to two-bed AFHs that serve only private pay clients;

- Counties and MCOs could initiate memorandums of understanding to establish which party would be responsible for certifying AFHs serving clients funded by both parties;

- If one certifying agency certifies an AFH, other certifying agencies could use the AFH for its own participants without undertaking another certification; and

- All certifying agencies would use the Department's MA waiver standards as the basis for certification to ensure consistency and quality.

The bill would not affect current provisions relating to AFHs that serve three or more residents.

[Bill Sections: 189, 656, 1299, 1302, 1303, 1647, 1652, 1682, 1692, 1714, and 3463]

18. UPDATE RESOURCE UTILIZATION GROUPING TERMINOLOGY

Governor: Modify a provision that currently requires DHS to incorporate acuity measurements under the most recent "resource utilization groupings (RUGs) III" methodology to determine factors for case-mix adjustments, for the purpose of determining medical assistance (MA) payments to nursing homes as follows. First, substitute the current reference to "resource utilization groupings III" with "resource utilization groupings." Second, permit, rather than require, the system to incorporate acuity measurements under the most recent RUGs.

In October 2010, the Centers for Medicare and Medicaid Services, which develops the RUGs, released RUGs IV. This item would permit DHS to decide whether to incorporate the most recent RUGs methodology in setting MA nursing home rates.

[Bill Sections: 1428 and 1430]

MA Administration and FoodShare

1. CENTRALIZE ADMINISTRATION OF INCOME MAINTENANCE PROGRAMS

	Funding	Positions
GPR	- $8,417,800	68.76
FED	23,132,000	63.74
PR	- 100,400	- 1.00
Total	$14,613,800	131.50

Governor: Increase funding by $22,241,900 ($10,242,800 GPR, $12,049,300 FED, and -$50,200 PR) in 2011-12 and reduce funding by $7,628,100 (-$18,660,600 GPR, $11,082,700 FED, and -$50,200 PR) in 2012-13, and provide 131.50 positions (68.76 GPR positions, 63.74 FED positions, and -1.00 PR position), beginning in 2011-12, to reflect the net fiscal effect of the Governor's proposal to centralize the administration of the state's income maintenance programs. A summary of these changes is presented in the table below.

Summary of Income Maintenance Centralization Proposal

	2011-12			
	GPR	FED	PR	Total
Centralized IM Services				
State Staff	$6,088,500	$504,000	-$50,200	$6,542,300
Contracted Services	13,343,400	20,734,400	0	34,077,800
Subtotal	$19,431,900	$21,238,400	-$50,200	$40,620,100
Funding Currently Available to Counties				
Income Maintenance Allocations	-$9,189,100	-$9,189,100	$0	-$18,378,200
Community Aids	0	0	0	0
Subtotal	-$9,189,100	-$9,189,100	$0	-$18,378,200
Net Cost/Savings of Proposal	$10,242,800	$12,049,300	-$50,200	$22,241,900
Change in State Positions	68.76	63.74	-1.00	131.50

	2012-13			
	GPR	FED	PR	Total
Centralized IM Services				
State Staff	$7,132,500	$7,205,800	-$50,200	$14,288,100
Contracted Services	31,197,000	35,083,100	0	66,280,100
Subtotal	$38,329,500	$42,288,900	-$50,200	$80,568,200
Fundiug Currently Available to Counties				
Income Maintenance Allocations	-$31,206,200	-$31,206,200	$0	-$62,412,400
Community Aids	-25,783,900	0	0	-25,783,900
Subtotal	-$56,990,100	-$31,206,200	$0	-$88,196,300
Net Cost/Savings of Proposal	-$18,660,600	$11,082,700	-$50,200	-$7,628,100
Chauge in State Positions	68.76	63.74	-1.00	131.50

Under current law, DHS enters into contracts with counties and tribal governing bodies to perform administrative duties associated with the income maintenance programs. For these purposes, "income maintenance programs" are defined to include the medical assistance (MA) program, the FoodShare program, and the Wisconsin funeral and cemetery aids program. Under those contracts, counties and tribes process applications, determine eligibility and payment levels, periodically make eligibility redeterminations, conduct fraud prevention activities, and maintain case files with respect to income maintenance programs. DHS provides state funding to the counties and tribes to perform those duties. Counties can also contribute their own funds toward those costs, and virtually all counties do.

There are several exceptions to the framework outlined above. First, DHS operates an enrollment services center in Madison that performs income maintenance-type administrative duties for the BadgerCare Plus Core Plan and for FoodShare recipients throughout the state who do not have dependent children. Second, 2009 Act 28 authorized DHS to assume administrative control of the income maintenance programs in Milwaukee County through a unit within DHS called the Milwaukee County enrollment services unit. Act 28 required Milwaukee County to contribute $2.7 million of its own funds toward the cost of the Milwaukee County enrollment services unit in 2009 and each year thereafter (adjusted for changes in the annual wage and benefit costs paid with respect to county employees performing services for that unit), with the state paying the balance of the non-federal share of the unit's costs.

The bill would centralize the administration of income maintenance programs throughout the state within a new unit in DHS called the income maintenance administration unit ("unit"). Under the bill, the creation of the unit and the transition of administrative duties from the counties to the unit would proceed as follows.

Creation of the Income Maintenance Administration Unit. Require DHS to establish the unit to administer income maintenance programs in the state. Define administration of income maintenance programs to include receiving applications, determining eligibility, conducting fraud investigation and fraud prevention activities, implementing error reduction procedures, and recovering overpayment of benefits. Authorize DHS to contract with a public or private entity to provide these administrative services. Exempt that contract from provisions in Chapter 16 of the statutes relating to the purchasing of contractual services. Define the term "income maintenance worker" to mean a person employed by, or under a contract with, DHS or a tribal governing body whose duties include determining eligibility for income maintenance programs. Require DHS to begin to transition administration of the income maintenance programs from counties to the unit, and to develop a transition plan that includes a deadline by which each county must transfer to DHS all records in the county's possession related to administration of the income maintenance programs.

Elimination of the Milwaukee County Enrollment Services Unit. With respect to the Milwaukee County enrollment services unit created under Act 28, require DHS to determine when the new income maintenance administration unit is prepared to take over income maintenance responsibilities in Milwaukee County. Require DHS to notify the Legislative Reference Bureau (LRB) of that date, and require LRB to publish a notice in the Wisconsin Administrative Register that specifies that date. Effective on the date specified in that notice, or

May 1, 2012, whichever is earlier, repeal statutory provisions that authorize DHS to establish, to operate, and to provide state funding to support the costs of the Milwaukee County enrollment services unit. In addition, delete other statutory provisions that refer to the Milwaukee County enrollment services unit.

Provide that in the calendar year in which the unit takes over administration of the income maintenance programs in Milwaukee County, Milwaukee County's contribution to the costs of the Milwaukee County enrollment services unit, as specified in Act 28, shall be prorated on the basis of the length of time the Milwaukee County enrollment services unit administers those programs.

Provide that former Milwaukee County employees appointed to state positions in the Milwaukee County enrollment services unit, effective on the date specified in the LRB notice or May 1, 2012, whichever is earlier, shall be removed as eligible employees qualifying for state employee health insurance coverage. The bill would also make technical amendments to the statutes to reflect the elimination of the Milwaukee County enrollment services unit in the following areas: (a) sick leave calculation for income continuation insurance benefits; (b) the unclassified status of employees in the county's civil service system; (c) a collective bargaining provision allowing hours and conditions of employment to be subject to a memorandum of understanding; and (d) the right to appeal certain employment decisions by DHS.

Transfer Administration of Income Maintenance Programs from Counties to DHS. With respect to all other counties that are administering income maintenance programs on the bill's effective date, the bill provides the following. First, repeal statutory language that currently authorizes DHS to annually enter into contracts with counties for reimbursement of the county's reasonable costs for administering income maintenance programs.

Second, and notwithstanding the repeal of the statutory provision identified in the preceding paragraph, authorize DHS, before May 1, 2012, to delegate some or all of the administrative functions related to income maintenance programs to counties on a county-by-county basis. Provide that if DHS delegates such functions to a county before May 1, 2012, the county shall continue to perform those functions until DHS notifies the county that the unit is prepared to assume responsibility for those activities. Require DHS and any county to which it delegates functions under these provisions to enter into a contract relating to those functions and reimbursement for the reasonable costs of performing those activities. Specify that such reimbursements provided to counties shall be considered costs incurred by the unit to administer income maintenance programs.

Third, modify the appropriation from which DHS currently funds the state share of costs to administer income maintenance programs (the IM appropriation) as follows: (a) on the bill's general effective date, delete provisions in the IM appropriation that authorize DHS to expend funds to support the state share of income maintenance administration costs, except for costs related to administration of the food stamp employment and training (FSET) program; (b) also on the bill's general effective date, delete from the IM appropriation the Department's authority to pay expenses under the Wisconsin funeral and cemetery aids program, as the bill creates a new appropriation in DHS to fund those expenses, beginning in 2011-12; and (c) effective

January 1, 2013, repeal the IM appropriation. Under a separate item, the bill would create a new appropriation in the Department of Children and Families (DCF) for administrative costs for the FSET program, effective January 1, 2013.

Fourth, modify an existing appropriation from which DHS currently funds other MA-related administrative costs (the MA administrative contracts appropriation) as follows: (a) on the bill's general effective date, authorize DHS to provide state funding from the MA administrative contracts appropriation to support administration of the income maintenance programs, including payments to tribes that administer those programs, counties to which DHS delegates those administrative duties (consistent with the provisions summarized above), and for the Milwaukee County enrollment services unit's administration of income maintenance programs: (b) effective on the date of the LRB notice, or May 1, 2012, whichever is earlier, repeal the Department's authority to expend funds from the MA administrative contracts appropriation to support costs at the Milwaukee County enrollment services unit; and (c) effective May 1, 2012, repeal the Department's authority to provide state funding from the MA administrative contracts appropriation to counties for administration of income maintenance programs.

Fifth, repeal a number of other statutory provisions that currently authorize counties to administer income maintenance programs and which refer to counties' administration of those programs.

Administration of Income Maintenance Programs by Tribal Governing Bodies. Under current law, DHS is authorized to contract with tribal governing body to administer the tribe's income maintenance programs. Under the bill, tribal governing bodies could elect to have the unit administer the tribe's income maintenance programs, or to administer those programs themselves, in which case DHS and the tribe could enter into a contract for the reasonable cost of administering those services. Authorize DHS to provide state funding from the MA administrative contracts appropriation to those tribes which elect to administer their own income maintenance programs.

Community Aids Funding Reduction. In each fiscal year beginning in fiscal year 2012-13, require DHS to decrease each county's basic county allocation under the community aids program by the amount DHS determines the county expended in calendar year 2009 to provide income maintenance programs ($25,783,900). DHS indicates that the all funds amount available for the community aids calendar year contracts would equal approximately $193.3 million in calendar year 2011, $174.0 million in calendar year 2012, and $167.5 million in calendar year 2013.

Transfer Administration of the FoodShare Program to the Department of Children and Families. Under current law, DHS is responsible for administering the state's FoodShare program, and as with the other income maintenance programs, DHS delegates the administration of the FoodShare program to the counties and tribes. Effective January 1, 2013, the bill would delete the FoodShare program from the statutory definition of "income maintenance programs" and transfer administration of the FoodShare program from DHS to the Department of Children and Families (DCF). This transfer of authority is summarized in the item "FoodShare Transfer to the Department of Children and Families."

[Bill Sections: 636 thru 640, 645, 646, 648, 1139, 1156, 1162, 1277, 1278, 1284, 1286, 1292, 1308, 1401, 1423 thru 1426, 1438, 1442, 1454, 1457, 1460, 1465 thru 1469, 1471 thru 1477, 1486 thru 1492, 1498 thru 1504, 1506 thru 1512, 1521, 1523, 1525, 1527, 1540, 1551, 1554, 1555, 1563, 1565, 1589, 1604, 1606, 1607, 1621, 1622, 1641, 1643, 1651, 1716, 2406, 2407, 2767, 9121(6)&(7), and 9421(1) thru (3)]

2. MA AND FOODSHARE ADMINISTRATION -- CONTRACTED SERVICES BASED ON CURRENT PROGRAMS

GPR	$30,718,500
FED	70,478,500
Total	$101,197,000

Governor: Provide $52,926,900 ($15,393,500 GPR and $37,533,400 FED) in 2011-12 and $48,270,100 ($15,325,000 GPR and $32,945,100 FED) in 2012-13 to increase funding for contracted services relating to the administration of the medical assistance (MA), BadgerCare Plus, and FoodShare programs. This item reflects the administration's estimates of additional funding that will be needed to support these programs without program changes DHS expects to make in the 2011-13 biennium. Base funding for these contracts is $78,229,900 ($32,175,900 GPR and $46,054,000 FED).

DHS has a range of responsibilities relating to its administration of the MA, BadgerCare Plus, and FoodShare programs. The Department contracts with other entities, public and private, to perform some administrative activities. Funding for these contracts is budgeted in an appropriation separate from the appropriation that funds the Division of Health Care Access and Accountability general program operations.

DHS contracts with a fiscal agent to provide administrative services, including the processing of claims, member and provider enrollment, reviewing prior authorization requests, pharmacy-related services, customer services, federal and state reporting, program integrity requirements, and developing and supporting information systems. The state's current fiscal agent is HP Enterprise Services (formerly EDS). Under its base fiscal agent contract, the state pays HP a flat fee to provide those services. DHS also pays HP for services provided in addition to those covered under the base contract, such as modifications to the Medicaid Management Information System (MMIS).

In addition, HP performs functions in connection with the Enrollment Services Center (ESC). The ESC, originally developed as part of the BadgerCare Plus Core Plan expansion in 2009, currently performs all applications and income maintenance activities for the FoodShare, BadgerCare Plus Core, and BadgerCare Plus Basic programs for those adults without dependent children.

DHS also contracts for the operation of the client assistance for reemployment and economic support (CARES) system, which assists state and county staff in making eligibility determinations and maintaining case information for such programs as BadgerCare Plus, SeniorCare, Family Care, FoodShare, the SSI Caretaker Supplement, TANF/W-2, and Child Care Assistance. CARES is a mainframe system and most CARES-related costs in this item pertain to the programming, analysis, and maintenance tasks performed by Deloitte and the mainframe hosting and data storage charges paid to the Department of Administration's Division of Enterprise Technology (DET).

Finally, DHS funds a number of smaller administrative contracts, including contracts related to actuarial services, consulting services, as well as costs related to administrative hearings conducted by the Department of Administration's Division of Hearings and Appeals, and costs related to the FoodShare program's electronic benefit transfer (EBT) system.

The following table shows the amounts that would be budgeted for MA and FoodShare administrative contracts under this item for fiscal years 2011-12 and 2012-13, by funding source. Other items in the bill, such as the Governor's proposal to centralize income maintenance functions, would also affect funding for these administrative contracts in the 2011-13 biennium.

Funding Budgeted for Contracted Services -- Current Programs
Governor's Recommendations

	2011-12		2012-13	
	GPR/PR	FED	GPR/PR	FED
Fiscal Agent Services	$14,631,700	$37,709,600	$14,204,300	$32,674,000
Enrollment Services Center	$14,848,200	$14,848,200	$14,809,500	$14,809,500
CARES				
Deloitte	$6,465,000	$6,709,900	$6,475,300	$6,711,500
DET	13,702,600	14,221,200	13,836,400	14,341,200
Other	494,200	384,300	474,700	403,500
Federal Early Innovators Grant	-4,000,000	4,000,000	-4,000,000	4,000,000
CARES Total	$16,661,800	$25,315,400	$16,786,400	$25,456,200
FoodShare EBT Contract	$1,756,600	$1,756,600	$1,938,700	$1,938,700
Other	$4,922,800	$6,206,600	$5,012,200	$6,369,700
Total Estimated Funding Need	**$52,821,100**	**$85,836,400**	**$52,751,100**	**$81,248,100**
Current Funding Sources				
Base Funding (GPR)	$ 32,175,900	$46,054,000	$32,175,900	$46,054,000
Transfer from Hosp. Assessment Fund (PR)	1,000,000	1,000,000	1,000,000	1,000,000
SeniorCare Enrollment Fees (PR)	1,249,000	1,249,000	1,249,000	1,249,000
Core Plan Enrollment Fees (PR)	3,002,700	0	3,001,200	0
Total Current Funding Sources	**$37,427,600**	**$48,303,000**	**$37,426,100**	**$48,303,000**
Difference (GPR Funding Increase in Bill)	**$15,393,500**	**$37,533,400**	**$15,325,000**	**$32,945,100**

3. CONTRACTED ADMINISTRATIVE SERVICES TO IMPLEMENT MA PROGRAM CHANGES

GPR	$3,733,500
FED	4,437,400
Total	$8,170,900

Governor: Provide $4,786,300 ($2,041,200 GPR and $2,745,100 FED) in 2011-12 and $3,384,600 ($1,692,300 GPR and $1,692,300 FED) in 2012-13 to fund additional costs of contracted services that would be needed to implement changes to MA and its related programs in the 2011-13 biennium. Contracted administrative services currently include services provided by the state's fiscal agent, programming and maintenance services for the client assistance for re-employment and economic support (CARES) system, and actuarial and consulting services.

The Governor's bill includes several specific items that would make changes to these programs, such as requiring SeniorCare participants to apply for and enroll in Medicare Part D, which would require additional contracted services for DHS to implement. In addition, the bill would reduce funding for MA benefits costs to reflect savings the administration believes it will achieve through a number of program changes to MA. The funding provided in this item would be used to support the additional contracted administrative services the administration estimates will be required to implement those program changes.

4. FUNERAL AND CEMETERY AIDS PROGRAM

GPR	$7,940,800

Governor: Provide $3,897,000 in 2011-12 and $4,043,800 in 2012-13 to fund projected increases in the cost of payments under the Wisconsin funeral and cemetery aids program (WFCAP). In addition, transfer base funding for the program ($4,550,200) from an appropriation that currently supports several income maintenance-related activities to a new biennial appropriation that would exclusively support WFCAP. The bill would provide a total of $8,447,200 in 2011-12 and $8,594,000 in 2012-13 for the program.

Under current law, DHS is required to reimburse counties and tribal governing bodies for the funeral, burial, and cemetery costs they are required to pay on behalf of certain low-income individuals who at the time of their death were participants in such programs as medical assistance (MA), Wisconsin Works (W-2), and supplemental security income (SSI). Reimbursement for cemetery expenses is limited to the lesser of $1,000 or the cemetery expenses not paid by the decedent's estate or by other persons, and is only available if the decedent's total cemetery costs do not exceed $3,500. Reimbursement for funeral and burial expenses is limited to the lesser of $1,500 or the funeral and burial expenses not paid by the decedent's estate or by other persons, whichever is less, and is only available if the decedent's total funeral and burial expenses do not exceed $4,500.

Under a separate item, the Governor recommends centralizing the administration of income maintenance activities, including WFCAP, within a new income maintenance administration unit.

[Bill Sections: 640 and 642]

5. ELIMINATE FOODSHARE BENEFITS FOR QUALIFIED LEGAL IMMIGRANTS

GPR	- $760,000

Governor: Prohibit DHS from providing FoodShare benefits to "qualified aliens," except to the extent that federal supplemental nutrition assistance program (SNAP) benefits are required by the federal government. This provision would eliminate the state-option FoodShare program (SOFSP) that provides GPR-funded FoodShare benefits to certain legal immigrants who do not meet citizenship standards for federally-funded benefits. The bill would reduce funding by $380,000 annually to reflect the elimination of this program.

Under current law, DHS provides SOFSP benefits to certain legal immigrants who do not qualify for federal SNAP benefits based on immigration status, but meet all other eligibility requirements. In general, SOFSP provides benefits to non-disabled adults who have lived in the United States for less than five years. Legal immigrants who are under the age of 18, are disabled, or have lived in the United States for at least five years, qualify for federal SNAP benefits. In calendar year 2010, an average of 1,682 individuals per month received SOFSP benefits.

Although the bill would reduce funding by $380,000 annually (the amount that DHS had budgeted for the SOFSP in 2010-11), actual payments made under this program exceed that amount. In calendar year 2010, SOFSP benefits totaled approximately $1.6 million. DHS currently funds costs for these benefits that exceed budgeted funds by reallocating other funding budgeted in the income maintenance appropriation, thereby reducing the amount available for other activities such as income maintenance contracts with counties.

[Bill Sections: 1534, 1535, and 9421(4)]

6. TRANSFER FOODSHARE TO DEPARTMENT OF CHILDREN AND FAMILIES

Governor: Transfer the administration of the FoodShare program from DHS to the Department of Children and Families (DCF), effective January 1, 2013. FoodShare is the name of Wisconsin's federal supplemental nutrition assistance program (SNAP).

Administration of FoodShare. Require DCF to administer the FoodShare program beginning January 1, 2013, so that on and after that date, DCF would receive applications, determine eligibility, conduct fraud investigation and prevention activities, implement error reduction procedures, and recover overpayments of benefits. Require DCF to periodically match records of FoodShare recipients to verify individual eligibility. Authorize DCF to enter into contracts for the administration of the program.

Replace current references to DHS with references to DCF with respect to the administration of the program, and renumber current provisions relating to the program. Delete FoodShare from the definition of an "income maintenance program" administered by DHS.

Repeal DHS appropriations that relate solely to FoodShare administration and benefits, and delete references to FoodShare in other DHS appropriations that provide administrative funding. Create new GPR and FED appropriations in DCF for the administration of FoodShare, and include FoodShare under the DCF appropriations for fraud investigation and error recovery, and electronic transfer of federal benefits.

DOA Secretary Transfer Authority. Transfer from DHS to DCF classified positions and incumbents holding positions that the DOA Secretary determines are primarily related to FoodShare. Allow the DOA Secretary, upon determination of these employees, to transfer moneys between any GPR, PR, FED, or SEG appropriation in DHS to such an appropriation in DCF to adjust for costs in accordance with the transfer of personnel and administrative functions. Specify that employees transferred to DCF under these provisions would have the same rights and status under state employment relations statutes that they had prior to the transfer, and that no transferred employee who had attained permanent status would serve a probationary period.

Transfer from DHS to DCF all tangible personal property, contracts in effect, and pending matters that the DOA Secretary determines are primarily related FoodShare. Require DCF to carry out any contractual obligation unless modified or rescinded to the extent allowed under the contract. Specify that all materials submitted to, or actions taken by DHS with respect to a pending matter would be considered as having been submitted to or taken by DCF. Provide that all rules promulgated or orders issued by DHS in effect on January 1, 2013, that the DOA Secretary determines are primarily related FoodShare, would remain in effect until their specified expiration dates or until amended, repealed, modified, or rescinded by DCF.

References and Obsolete Language. Replace current references to the "food stamp program" with references to the "supplemental nutrition assistance program" to reflect the recent renaming of the program in federal law. Replace references to "food stamp coupons" with "supplemental nutrition program benefits," and delete a statutory provision that relates to liability for food stamp coupons lost in natural disasters, to reflect that program participants currently receive benefits through an electronic benefit transfer system, rather than as paper coupons. Repeal statutes that affect the conditions under which DHS may establish an electronic benefit transfer system for the FoodShare program, to reflect that DHS has already established such a system.

Although DHS would administer FoodShare until January 1, 2013, the bill contains other provisions that would affect how DHS would administer the program until that date, including provisions that would centralize income maintenance programs and eliminate FoodShare benefits for qualified legal immigrants.

[Bill Sections: 211, 212, 639, 641, 647, 649 thru 651, 668, 671, 677, 678, 1279, 1301, 1339, 1343 thru 1345, 1377, 1384, 1387, 1404, 1407, 1409, 1411, 1412, 1416 thru 1419, 1421, 1485, 1513 thru 1520, 1522, 1524, 1526, 1528 thru 1533, 1535 thru 1539, 1541 thru 1550, 1552, 1553, 1556 thru 1562, 1564, 1566 thru 1588, 1590 thru 1603, 1605, 1609, 1611, 1613, 1615, 1617 thru 1620, 1623 thru 1627, 1645, 1802, 1939, 2051, 2130, 2131, 2162, 2390, 2450, 2866, 3487 thru 3490, 3559, 9121(8), 9321(2), and 9421(3)&(4)]

7. TRANSFER CARES POSITIONS FROM DCF

	Funding	Positions
PR	$524,800	3.00

Governor: Provide $262,400 annually to reflect the transfer of 3.0 positions from the Department of Children and Families (DCF), beginning in 2011-12. These positions conduct information technology (IT) security activities for the client assistance for reemployment and economic support system (CARES), the statewide automated eligibility system for a range of public assistance programs. Under this item, all IT security-related functions for all state programs that use CARES would be conducted by DHS staff. The bill includes a corresponding funding and position decrease for DCF.

SSI and Public Health

1. SUPPLEMENTAL SECURITY INCOME -- REESTIMATE AND PROGRAM TRANSFER

GPR	- $285,905,600
PR	- 56,040,800
Total	- $341,946,400

Governor: Reduce funding by $142,952,800 GPR and $28,020,400 PR annually to reflect: (a) the administration's estimates of funding that will be needed to support state-funded supplemental security income (SSI) program benefits; and (b) the transfer of the program to the Department of Children and Families (DCF), beginning in 2011-12.

Reestimate of State-Funded SSI Benefits. Provide $2,226,400 GPR in 2011-12 and $4,638,800 GPR in 2012-13 to fully fund estimated state supplemental SSI benefits in the 2011-13 biennium. Base funding for these payments is $142,093,300 GPR, which is budgeted in a sum sufficient appropriation. The bill would provide a total of $144,319,700 GPR in 2011-12 and $146,732,100 GPR in 2012-13 to fund these benefit payments.

In addition, provide $1,207,000 PR annually to fully fund the estimated costs of SSI caretaker supplement payments. Base temporary assistance for needy families (TANF) funding for the caretaker supplement is $28,354,900. The bill would provide a total of $29,561,900 annually to fund caretaker supplement payments.

Transfer Program. Reduce funding by $145,179,200 GPR and $29,277,400 PR in 2011-12 and by $147,591,600 GPR and $29,277,400 PR in 2012-13 to reflect the transfer of funding for SSI benefits and administrative costs to DCF. These amounts include deleting GPR funding in DHS for state supplement benefits that include the base funding amount and the reestimates described above (-$144,319,700 in 2011-12 and -$146,732,100 in 2012-13), and deleting $859,500 GPR annually that supports the costs of administering these programs. The bill increases GPR funding for DCF by corresponding amounts.

The total PR reduction in the bill would include two separate effects: (a) reduce TANF funds that DHS receives as PR by $29,561,900 annually to delete funding for caretaker supplement benefits and administration; and (b) increase PR by $334,500 annually to maintain funding for some SSI administrative contract costs, which DHS would bill to DCF. There is no corresponding increase in the DCF summary, as these TANF funds already appear in the DCF appropriations as FED.

Replace current references to DHS with references to DCF with respect to the administration of SSI, and renumber current provisions relating to the program. Repeal the DHS appropriation for SSI benefits, and delete references to SSI in other DHS appropriations that provide administrative funding. Create DCF appropriations for SSI benefits and administration.

The SSI program provides federal- and state-funded benefits to low-income individuals who are elderly, blind, or disabled. In January, 2011, approximately 112,400 individuals received GPR-funded state supplemental payments, including the basic supplement ($83.78 per month for an individual) and the exceptional expense benefit ($95.99 per month for an individual). Recipients with dependent children may also receive a caretaker supplement, funded by federal TANF funds, which are currently transferred from DCF to DHS. These benefits equal $250 per month for one dependent child, and $150 per month for each additional child.

[Bill Sections: 210, 636, 643, 669, 679, 1274, 1280, 1285, 1300, 1331, 1332, 1338, 1347, 1397, 1402, 1403, 1406, 1408, 1410, 1420, 1422, 1450 thru 1453, 1458, 1461, 1462, 1482 thru 1484, 1505, 1607, 1608, 1610, 1612, 1614, 1616, 1642, 1644, 1646, 1651, 1655, and 3483]

2. DELETE STATE FAMILY PLANNING FUNDING

GPR	- $3,871,200

Governor: Repeal the GPR appropriation and funding that supports family planning services administered by the Division of Public Health (-$1,935,600 annually). In addition, repeal provisions that direct DHS to allocate amounts annually from this appropriation for specific family planning-related services. The bill would not modify other provisions relating to state's family planning program, including provisions that define "family planning services" and provisions that identify the Department's duties relating to the program.

In calendar year 2011, DHS allocated GPR funding for the program as follows: (a) $1,331,500 for family planning and reproductive health services provided by local public health departments and private organizations in 50 counties that received allocations consisting of these GPR funds and federal funds the state receives under the Maternal and Child Health block grant; (b) $337,700 to Health Care Education and Training, Inc. to provide training, technical assistance, and support services; and (c) $266,400 to the Wisconsin State Laboratory of Hygiene for laboratory cytology services and other technical assistance.

[Bill Sections: 635 and 2875]

3. BRIGHTER FUTURES

GPR	$1,730,000

Governor: Provide $865,000 annually and make statutory changes to transfer not more than this amount annually from DHS to a new program revenue appropriation in the Department of Children and Families (DCF), to support the Brighter Futures initiative. The Brighter Futures initiative, which is currently administered by DCF, provides grants to public agencies and nonprofit corporations to reduce violence and other delinquent behavior, reduce alcohol and other drug use and abuse, and reduce child abuse and neglect. Base funding for the program is $1,729,900 GPR annually.

A corresponding item in DCF would reduce GPR funding for the program by $1,729,900 GPR (rather than $865,000, which was the administration's intent) and increase PR funding (the funding transferred from DHS) for the program by $865,000 annually. However, under the bill, total funding for the program would be reduced by $865,000 annually.

This provision would permit DHS to comply with matching requirements of the federal substance abuse prevention and treatment block grant (SAPTBG), which specify that SAPTBG matching funds must be budgeted directly in the agency that administers the grant. DHS currently counts 50% of total funding budgeted for the Brighter Futures program ($865,000) in meeting the SAPTBG match requirement, while DCF counts 50% of the Brighter Futures funding in meeting the state match requirements for the temporary assistance to needy families program. To meet the SAPTBG requirement, DCF and DHS currently have an arrangement under which 50% of the funding for the Brighter Futures program is transferred to DHS, and then transferred directly back to DCF. This item would eliminate the need for that arrangement.

[Bill Sections: 653, 661, 1309, 1310, and 1323]

4. WISCONSIN CHRONIC DISEASE PROGRAM

GPR	- $1,087,300

Governor: Reduce funding by of $775,700 in 2011-12 and $311,600 in 2012-13 for services under the Wisconsin chronic disease program (WCDP) to reflect: (a) a reestimate of projected program costs (-$25,700 in 2011-12 and $438,400 in 2012-13); and (b) a reduction in payment rates to health care providers for services to individuals with end stage renal disease (- $750,000 annually). The WCDP reimburses health care providers as a payer of last resort for services provided to people with chronic renal disease, adult cystic fibrosis, or hemophilia.

Repeal provisions that require payment for services for the treatment of chronic renal disease to equal the allowable charges under the federal Medicare program. Instead, specify that payments for these services be at a rate determined by DHS that does not exceed the allowable charges under the federal Medicare program. In addition, clarify that payment for these services is based on rates determined by DHS, not the cost of these services. Specify that these changes would first apply to services that are provided on the effective date of the bill. The Department indicates that it would establish rates for these services equal to 80% of the rates Medicare pays for these services.

Under a separate item ("Program Revenue Funding Adjustments"), the bill would increase funding budgeted for the program by $148,400 PR annually to reflect reestimates of drug manufacturer rebate revenue that will be available to support program costs. The following table shows the total funding that would be available to support WCDP services under the bill.

Chronic Disease Program Benefits Funding

	Base	2011-12	2012-13
GPR	$5,817,200	$5,041,500	$5,505,600
PR	241,000	389,400	389,400
Total	$6,058,200	$5,430,900	$5,895,000

[Bill Sections: 1478, 1479, and 9321(1)]

5. FEES FOR CONGENITAL DISORDER TESTS

Governor: Repeal the authority of the State Laboratory of Hygiene Board, on behalf of DHS, to impose fees for tests for congenital disorders. Instead, require DHS to impose fees, by rule, for these tests. Require DHS to set these fees by emergency rule before the effective date of permanent rules. Exempt DHS from the requirements that the agency provide evidence that promulgating the rule as an emergency rule is necessary for the preservation of the public peace, health safety or welfare, and that the agency provide a finding of emergency.

Specify that these provisions would take effect on the first day of the fourth month after publication of the bill, and would first apply to newborn screenings that are submitted to the State Laboratory of Hygiene on that date.

All children born in Wisconsin hospitals must receive a newborn screening prior to leaving the hospital, and all children born at home must receive a screening within one week of birth. DHS rules specify the conditions included in the screening. State law requires that the fees be sufficient to fund diagnostic and counseling services, special dietary treatment, periodic evaluation of infant screening programs, and the costs of administering the newborn hearing screening and congenital disorder programs. The current fee established by the Board is $109.

[Bill Sections: 2877, 9121(9), 9321(3), and 9421(5)]

6. FEES FOR PATIENT HEALTH CARE RECORDS

Governor: Modify provisions relating to patient health care records to reverse most of the changes that were enacted as part of 2009 Act 28.

Access to Records. Delete a provision that requires a health care provider to make records available for inspection by a patient, or a person authorized by the patient, during regular business hours and without charging a fee, after the health care provider receives notice from the patient or authorized person. Repeal provisions that require a health care provider to do the following: (a) upon request of the person requesting copies, provide the copies in a digital or electronic format unless the record system cannot create or transmit records in a digital or electronic format; and (b) if the copies cannot be provided in an electronic format, provide a written explanation of why the copies cannot be provided in a digital or electronic format.

Instead, permit any patient or person authorized by the patient, upon submitting a statement of informed consent, to do the following: (a) inspect records of a health care provider pertaining to that patient at any time during regular business hours, upon reasonable notice; (b) receive a copy of the records upon payment of fees established by the department; and (c) receive a copy of X-ray reports, or have the X-rays referred to another health care provider of the patient's choice.

Repeal of Current Statutory Fees. Repeal statutory fees relating to patient health care records. Currently, a health care provider may not charge more than the total of all the following fees that apply to a request for records by a patient or a person authorized by the patient: (a) for paper copies, 35 cents per page; (b) for microfiche or microfilm copies, $1.25 a page; (c) for a print of an X-ray, $10 per image; (d) for providing electronic or digital copies, a charge for all copies requested; (e) actual shipping costs; and (f) if the patient or person authorized by the patient requests delivery of records within seven days after making the request, and the provider delivers the records within that time, a fee equal to 10% of the total of all other fees.

Repeal statutory fees charged for records requested by a person other than the patient or a person authorized by the patient. The same fees apply to these requests as apply to requests made by a patient, with the addition of the following: (a) for certification of copies, $5; (b) for processing and handling, a single $15 charge for all copies requested. Repeal a provision specifying that if DHS requests copies of health care records for determining eligibility for social security disability insurance or supplemental security income, a health care provider cannot charge DHS more than the amount the Social Security Administration reimburses for copies of health care records.

Determination of Fees in Rule. Require DHS to set fees for patient health care records that are based on an approximation of actual costs. These fees, plus any applicable tax, would be the maximum amount a health care provider could charge for duplicate health care records, duplicate X-ray reports, or the referral of X-rays to another health care provider of the patient's choice. In determining the approximation of actual costs for the purposes of setting these fees, DHS would be able to consider all of the following factors: (a) operating expenses, such as wages, rent, utilities, and duplication equipment and supplies; (b) the varying cost of retrieval of records, based on the different media on which the records are maintained; (c) the cost of separating requested records from those that are not requested; (d) the cost of duplicating requested records; and (e) the impact on costs of advances in technology.

The bill would also specify that the fees set by DHS apply to statutes related to when patient health care records may be subject to subpoena.

Require DHS to set the fees by emergency rule prior to enactment of permanent rules. Exempt DHS from the statutory requirement to submit evidence that these emergency rules are necessary for the preservation of the public peace, health safety or welfare, and the requirement that DHS provide a finding of an emergency to promulgate this emergency rule.

Require DHS to revise the rules by July 1, 2014, and every three years thereafter, to account for increases or decreases in actual costs.

Provision of Records to a Patient's Health Care Provider. Under current law, a patient's health care records must be provided to a patient's health care provider upon request and with a statement of informed consent. The bill would maintain this provision, but specify that the health care provider may be charged reasonable costs for the provision of these records.

Effective Date. The requirement that DHS establish fees by rule would take effect on the first day of the fourth month beginning after publication of the enacted bill, and would first apply to requests to inspect or receive copies of records that are made on that effective date.

[Bill Sections: 2649 thru 2664, 3509, 3510, 9121(10), 9321(4), and 9421(6)]

7. MULTI-COUNTY DEPARTMENTS

Governor: Make several statutory changes relating to the establishment of multi-county human services, social services, and health departments as follows.

Human Services Departments. Permit the board of supervisors in a county with a population of 500,000 or more (currently, Milwaukee County) to establish with one or more other counties a county department of human services on a multi-county basis, provided that such a department meets current requirements for that county's department of human services. Current law requires such a county to establish a department of human services for the operation, maintenance and improvement of human services in the county, but does not authorize the board to establish a human services department on a multi-county basis. In addition, delete current provisions that require multi-county departments of human services in counties with populations of fewer than 500,000 to be contiguous counties, and that such multi-county departments not include counties with a population of 500,000 or more.

Social Services Departments. Permit the board of supervisors in a county with a population of 500,000 or more (Milwaukee County) to combine with one or more other counties to establish a county department of social services on a multi-county basis, provided that such a department meets current requirements for that county's department of human services. Current law requires such a county to establish a department of social services for the administration of welfare services other than child welfare services, but does not authorize the board to establish a social services department on a multi-county basis. In addition, delete current provisions that require multi-county departments of social services in counties with a population of 500,000 or fewer to be contiguous counties, and that such multi-county departments not include counties with a population of 500,000 or more.

Departments of Disability Services and Community Programs. Delete current provisions that require multi-county departments of developmental disabilities services and multi-county departments of community programs to be among contiguous counties. These departments administer community mental health, developmental disabilities and alcoholism and drug abuse programs.

Health Departments. Permit more than two counties to establish a single multi-county health department. Current law permits a county to combine with only one other county to form a multi-county health department.

[Bill Sections: 1276, 1281, 1283, 1291, 1665, 1667, and 2871]

Care Facilities

1. MENTAL HEALTH INSTITUTES FUNDING SPLIT

	Funding	Positions
GPR	$22,155,400	116.53
PR	- 22,155,400	- 116.53
Total	$0	0.00

Governor: Provide $11,077,700 GPR and reduce funding by $11,077,700 PR annually, and convert 116.53 PR positions to GPR positions, beginning in 2011-12, to adjust funding at the mental health institutes (MHIs) to reflect a decrease in the percentage of patients whose care is funded from program revenue, rather than GPR.

The share of MHI costs funded by GPR and PR is based on the composition of the patient population. The state is responsible for the cost of caring for forensic patients, which it funds with GPR. The cost of caring for other patients is funded from program revenues paid by counties and third-party payers, including medical assistance (MA) for MA-eligible populations. The following table identifies the administration's estimates of the composition of the MHI patient population in the 2011-13 biennium.

Estimated Percentage of Patients, By MHI and Funding Source
2011-12 and 2012-13
Governor's Recommendation

	Billable (PR)	Nonbillable (GPR)
Winnebago Mental Health Institute		
Forensic	3%	97%
Civil -- Children	100	0
Civil -- Adults	68	32
Institutionwide	34%	66%
Mendota Mental Health Institute		
Forensic	4%	96%
Civil -- Children	100	0
Civil -- Adults	97	3
Mendota Juvenile Treatment Center	0	100
Institutionwide	14%	86%

2. TRANSFER SVPS FROM WRC TO SRSTC AND CLOSE WRC UNITS

	Funding	Positions
GPR	- $10,633,300	- 59.25

Governor: Reduce funding by $4,833,300 in 2011-12 and by $5,800,000 in 2012-13 and delete 59.25 positions, beginning in 2011-12, to reflect savings that would result by transferring sexually violent persons (SVPs) from three units at the Wisconsin Resource Center (WRC) in Oshkosh to vacant units at the Sand Ridge Secure Treatment Center (SRSTC) in Mauston.

2007 Act 20 authorized funding and positions to staff four SVP treatment units at SRSTC. These four units have remained vacant due to slower than projected growth in the SVP population during the past several years. Three SVP units at WRC are currently serving 87 SVPs. DHS intends to consolidate the SVP treatment program by transitioning the SVPs at WRC into the four SVP units at SRSTC. The three SVP units at WRC would remain vacant and unstaffed.

3. FUEL AND UTILITIES

GPR	$2,570,800

Governor: Provide $1,169,300 in 2011-12 and $1,401,500 in 2012-13 to fund projected increases in the cost of fuel and utility services at DHS facilities.

4. WISCONSIN RESOURCE CENTER – FEMALE TREATMENT UNIT

GPR	$1,901,400

Governor: Provide $1,051,500 in 2011-12 and $849,900 in 2012-13 to fully fund supplies and services, overtime, and one-time costs associated with the opening of a 45-bed female patient treatment unit at the Wisconsin Resource Center (WRC).

2009 Act 28 provided DHS $2,110,700 and 113.0 positions, beginning in 2010-11, to operate the female unit under the assumption that the unit would open in June, 2011. The female unit is now scheduled to open in September, 2011. The remaining $182,100 authorized for 2010-11 will be used to hire 6.50 positions for program planning at the female unit. The annualized salary and fringe benefits costs associated with the other 106.50 positions authorized in Act 28 would be fully funded as part of a standard budget adjustment.

This item would provide funding to support the following costs, based on the assumption that the unit would open in September, 2011: (a) supplies and services ($327,900 in 2011-12 and $347,800 in 2012-13); (b) internal services ($211,100 in 2011-12 and $223,000 in 2012-13); (c) overtime salary ($152,700 in 2011-12 and $186,400 in 2012-13); (d) one-time operating and vehicle purchases ($274,000 in 2011-12); (e) overtime fringe benefits ($31,200 in 2011-12 and $38,100 in 2012-13); (f) repair and maintenance; ($25,600 annually); and (g) fuel and utilities ($29,000 annually).

5. SUPPLIES AND SERVICES FOR RESIDENTS AT DHS FACILITIES

GPR	$2,906,900
PR	- 4,251,100
Total	- $1,344,200

Governor: Reduce funding by $1,696,100 ($517,900 GPR and -$2,214,000 PR) in 2011-12 and increase funding by $351,900 ($2,389,000 GPR and -$2,037,100 PR) in 2012-13 to reflect estimates of the cost of providing supplies and services, other than food, for residents at the Centers for People with Developmental Disabilities, the Mental Health Institutes, the Wisconsin Resource Center, and the Sand Ridge Secure Treatment Center. DHS uses this funding to support medical services and supplies, drugs, clothing, and other supplies.

6. FOOD

GPR	- $216,300
PR	- 627,500
Total	- $843,800

Governor: Reduce funding by $467,400 (-$141,700 GPR and -$325,700 PR) in 2011-12 and by $376,400 (-$74,600 GPR and -$301,800 PR) in 2012-13 to reflect reestimates of the cost of providing food for residents at the Centers for People with Developmental Disabilities, the Mental Health Institutes, the Wisconsin Resource Center, and the Sand Ridge Secure Treatment Center in the 2011-13 biennium.

7. CONTRACTED SERVICES FOR MENTAL HEALTH CLIENTS

GPR	$515,800

Governor: Reduce funding by $10,200 in 2011-12 and increase funding by $526,000 in 2012-13 to fund projected increases in the costs of certain contracted services for mental health clients served by DHS facilities.

Supervised Release. Provide $332,400 in 2011-12 and $683,000 in 2012-13 to fund projected increases in the costs of treating individuals who are committed as sexually violent persons under Chapter 980 of the statutes and who have been released by the court under the supervision of DHS. It is estimated that the average number of individuals on supervised release will increase from 22 in 2009-10 to 28 in 2011-12 and 32 in 2012-13, with per person costs averaging $75,480 in 2011-12 and $77,000 in 2012-13.

Outpatient Competency Examination. Reduce funding by $162,400 in 2011-12 and $140,400 in 2012-13 to reflect estimates of the funding needed for outpatient competency examinations. Although there are no projected changes in the number of outpatient competency-to-stand-trial examinations from 2011 to 2013, examination costs are projected to increase by 2% annually. DHS contracts with a private vendor, currently Wisconsin Forensics Unit (WFU), to conduct outpatient examinations in jails or locked units of a facility. It is estimated that the vendor will conduct 1,100 outpatient examinations each year at a cost of $1,220 per examination in 2011-12, and at a cost of $1,240 per examination in 2012-13.

Conditional Release. Reduce funding by $76,300 in 2011-12 and increase funding by $51,400 in 2012-13 to reflect reestimates of the cost of contracting with the Department of Corrections to supervise individuals who have been conditionally released from the state Mental

Health Institutes. This reestimate reflects lower-than-expected population growth compared to the 2009-11 budget estimates. It is estimated that the average daily population (ADP) of individuals on conditional release will be 283 in 2011-12 and 285 in 2012-13, at an annual cost of $14,900 per person in 2011-12 and $15,200 per person in 2012-13.

Restoration to Competency. Reduce funding by $121,800 in 2011-12 and $104,200 in 2012-13 to reflect reestimates of the cost of contracting with Behavioral Consultants, Inc. to provide outpatient restoration to competency services. This reestimate reflects lower-than-expected service costs compared to the 2009-11 budget estimates. It is estimated that 26 individuals will receive outpatient treatment in 2011-12 at an annual cost per individual of $12,200 and 27 individuals will receive services in 2012-13 at an annual cost per individual of $12,400.

Other Corrections Contract Costs. Provide $17,900 in 2011-12 and $36,200 in 2012-13 to support projected increases in the cost of other services provided by the Department of Corrections, including contract supervision, escort transportation, and rental of GPS equipment.

In total, the bill would provide $9,125,000 GPR in 2011-12 and $9,661,200 GPR in 2012-13 to fund these services.

8. STATE CENTERS -- RETAIN SWC POSITIONS AND FUND ITP ASSESSMENTS AND PROJECTED INCREASES IN ICF-MR ASSESSMENT

	Funding	Positions
PR	$17,981,000	103.65

Governor: Provide $8,675,600 and 105.41 positions in 2011-12 and $9,305,400 and 103.65 positions in 2012-13 to: (a) partially restore staff and funding that was deleted in 2009 Wisconsin Act 28 due to anticipated decreases in resident populations at Southern Wisconsin Center (SWC) during the 2009-11 biennium; (b) fund additional assessments for individuals admitted to the intensive treatment program (ITP) at SWC; and (c) fund projected increases in the monthly assessment on licensed beds in intermediate care facilities for the mentally retarded (ICFs-MR).

Restore Act 28 Position and Funding Reductions. 2009 Act 28 reduced SWC funding by $1,010,900 in 2009-10 and by $5,073,000 in 2010-11 and 120.10 positions in 2010-11, based on an assumption that 70 individuals would voluntarily relocate from SWC to the community in the 2009-11 biennium. In 2009-10, eight individuals relocated to the community. The administration estimates that three residents will relocate by the end of the current biennium. This item includes funding for the following: (a) salary and fringe benefits for 105.41 positions in 2011-12 and 103.65 positions in 2012-13 that are currently scheduled to terminate at the end of the 2010-11 fiscal year ($5,745,000 in 2011-12 and $5,687,300 in 2012-13); (b) the restoration of funding for overtime costs at SWC ($1,954,300 annually); and (c) the restoration of funding for food, variable nonfood, and supplies and services ($136,100 in 2011-12 and $106,500 in 2012-13).

ITP Assessments. 2009 Act 28 also provided funding to staff 30 intensive treatment program (ITP) beds at SWC. However, fewer individuals participated in ITP than anticipated due to delays in building renovations. This item would provide $156,000 annually to fund 1,040 hours of contracted psychiatric and primary care physician services to conduct physician and psychiatric assessments required for ITP admission.

ICF-MR Bed Assessment. The administration estimates that the assessment on licensed beds at ICFs-MR will increase from $770 per bed per month in 2010-11 to $875 per bed per month in 2011-12 and to $995 per bed per month in 2012-13. This item provides $684,200 in 2011-12 and $1,401,300 in 2012-13 to enable the centers to pay this increase in monthly assessments.

9. MENDOTA JUVENILE TREATMENT CENTER

PR	$473,700

Governor: Provide $200,200 in 2011-12 and $273,500 in 2012-13 to fund projected increases in the cost of salary and fringe benefits for 50.5 PR positions at the Mendota Juvenile Treatment Center (MJTC). MJTC is a juvenile correctional facility in Madison that provides evaluations and treatment for juveniles whose behavior presents serious problems to themselves or others in other juvenile correctional facilities and whose mental health needs can be met at MJTC.

In addition, modify a statutory provision that identifies the amount of PR funding the Department of Corrections is required to transfer to DHS to support MJTC in each year to specify that $2,890,700 PR in 2011-12 and $2,964,000 PR in 2012-13 would be transferred to support this unit. The amount of GPR funding Corrections is required to transfer annually ($1,365,500) would not change. Consequently, Corrections would be required to transfer $4,256,200 ($1,365,500 GPR and $2,890,700 PR) in 2011-12 and $4,329,500 ($1,365,500 GPR and $2,964,000 PR) in 2012-13 to support MJTC.

In 2010-11, Corrections is required to transfer $4,261,600 ($1,365,500 GPR and $2,896,100 PR) to DHS. The net funding changes in the annual statutory allocation, compared to the 2010-11 allocation (-$5,400 in 2011-12 and $67,900 in 2012-13) are due to several adjustments that take into account this item and other items in the DHS budget, including standard budget adjustments and the Governor's proposal to increase employee contributions to pension and health insurance costs.

[Bill Section: 1273]

10. SHARED SERVICES -- MENDOTA AND CENTRAL WISCONSIN CENTER

	Positions
GPR	- 0.05
PR	0.05
Total	0.00

Governor: Convert 0.05 GPR position to 0.05 PR position, beginning in 2011-12, to more accurately assign costs for positions that perform services for both Mendota Mental Health Institute (MMHI) and Central Wisconsin Center (CWC) in Madison. Currently, 0.05 GPR position that supervises crafts workers is part of MMHI's budget, but CWC supports the services the position provides with PR funds it transfers to MMHI to reflect services the position provides to CWC. This item would reassign the position to CWC's budget to reduce the need for MMHI to charge CWC for these services.

11. REPEAL PHARMACY REQUEST FOR PROPOSALS PROVISION

Governor: Repeal a provision that requires DHS to issue a request for proposals (RFP) to provide pharmacy management services for the state's treatment facilities, including Mendota Mental Health Institute, Winnebago Mental Health Institute, the Wisconsin Resource Center (WRC), the State Centers for the Developmentally Disabled, and Sand Ridge Secure Treatment Center (SRSTC).

This requirement was enacted as part of 2007 Act 20. The Department issued this RFP in January, 2009. As a result of the RFP, a contract was awarded for pharmacy management services at Northern Wisconsin Center and Southern Wisconsin Center in December, 2010. Contracts were not awarded for the other facilities for the following reasons: (a) none of the vendors that responded to the RFP met the accreditation requirements to serve the Mental Health Institutes, including the WRC; (b) pharmacy services at SRSTC changed substantially during the RFP process and could no longer be included in the original RFP; and (c) the in-house pharmacy at Central Wisconsin Center was more cost effective in a cost comparison with vendors. As the statutory requirement has been fulfilled, the administration considers this statutory provision obsolete.

[Bill Section: 1663]

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$38,906,300	0.00
FED	9,408,400	- 25.00
PR	17,710,600	0.00
SEG	39,200	0.00
Total	$66,064,500	- 25.00

Governor: Provide $33,576,200 ($19,438,700 GPR, $5,262,600 FED, $8,855,300 PR, and $19,600 SEG) and delete 17.50 FED positions in 2011-12, and provide $32,488,300 ($19,467,600 GPR, $4,145,800 FED, $8,855,300 PR, and $19,600 SEG) and delete 25.00 FED positions in 2012-13 to reflect the following standard budget adjustments: (a) turnover reduction (-$545,000 GPR, -$1,152,600 FED, and -$391,000 PR annually); (b) removal of non-continuing items (-$280,500 GPR, -$764,000 FED, -$252,100 PR, and -17.50 FED positions in 2011-12, and -$280,500 GPR, -$1,880,800 FED, -$252,100 PR and -25.00 FED positions in 2012-13); (c) full funding of salaries and fringe benefits ($16,072,200 GPR, $6,976,300 FED, $2,553,000 PR, and $18,700 SEG annually); (d) overtime ($2,024,300 GPR and $4,291,500 PR annually); (e) night and weekend salary differentials ($1,978,600 GPR, $105,600 FED, and $2,527,500 PR in 2011-12, and $2,007,500 GPR, $105,600 FED, and $2,527,500 PR in 2012-13); (f) lease and directed move costs ($189,100 GPR, $97,300 FED, $126,400 PR, and $900 SEG annually); and (g) minor transfers within appropriations.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $19,253,000
FED	- 8,197,200
PR	- 18,473,200
SEG	- 31,800
Total	- $45,955,200

Governor: Delete $22,980,100 in 2011-12, and $22,975,100 in 2012-13, to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $9,626,500 GPR, $4,098,600 FED, and $15,900 SEG annually, and $9,239,100 PR in 2011-12 and $9,234,100 PR in 2011-13. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance costs reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. 10% ACROSS-THE-BOARD REDUCTION FOR NON-STAFF COSTS

GPR	- $11,497,200
PR	- 3,888,600
Total	- $15,385,800

Governor: Reduce funding by $7,692,900 (-$5,748,600 GPR and -$1,944,300 PR) annually to reduce base funding for non-staff costs by 10% in most of the Department's GPR and PR appropriations. The following table lists the appropriations that would be affected by these reductions, the base funding for non-staff costs in these appropriations, and the annual reduction under this item. Other items in the Governor's budget may affect funding budgeted for these appropriations, in addition to the reductions listed below.

Fund Source	Appropriation	Base Non-Staff Costs	Amount of Annual Reduction
	Public Health		
GPR	General Program Operations	$1,107,100	-$110,700
GPR	AIDS/HIV Services	6,386,600	-638,700
GPR	General Aids and Local Assistance	573,200	-57,300
GPR	Well Woman Program	2,228,200	-222,800
GPR	Cancer Control and Prevention	371,000	-37,100
GPR	Emergency Medical Services -- Aids	2,178,000	-217,800
GPR	Dental Services	3,004,800	-300,500
GPR	Clinic Aids	74,200	-7,400
GPR	Rural Health Dental Clinics	995,000	-99,500
GPR	Food Distribution Grants -- Emergency Food Assistance Program	320,000	-32,000
GPR	Statewide Poison Control Program	425,000	-42,500
GPR	Public Health Dispensaries and Drugs -- Tuberculosis	734,400	-73,400
GPR	Radon Aids	29,700	-3,000
GPR	Lead Poisoning and Exposure Services	994,100	-99,400
GPR	Pregnancy Counseling	76,800	-7,700
GPR	Supplemental Food Program for Women, Infants and Children (WIC) Benefits	179,300	-17,900
GPR	Reducing Fetal and Infant Mortality -- Racine County	247,500	-24,800
GPR	Pregnancy Outreach and Infant Health	209,100	-20,900
GPR	Community Health Centers	6,100,000	-610,000
GPR	Tobacco Use Control Grants	6,850,000	-685,000

Fund Source	Appropriation	Base Non-Staff Costs	Amount of Annual Reduction
PR	Minority Health Program	$148,500	-$14,900
PR	Native American Health Projects	118,800	-11,900
PR	Native American Diabetes Prevention and Control	25,000	-2,500
PR	Licensing, Review and Certifying Activities -- Fees	9,591,300	-959,200
PR	Cancer information	20,000	-2,000
PR	WIC Administration	60,000	-6,000
PR	Health Care Information -- Operations	902,700	-90,300
PR	Congenital Disorders -- Services and Operations	3,159,300	-316,000
PR	Administrative Service Fees	125,000	-12,500
	Health Care Access and Accountability		
PR	Tribal Relief Block Grants	$792,000	-$79,200
PR	MA Outreach and Reimbursements for Tribes	1,059,300	-105,900
	Mental Health and Substance Abuse Services		
GPR	General Program Operations	$500,200	-$50,000
GPR	Grants for Community Programs	5,933,500	-593,400
GPR	Mental Health Treatment Services	10,628,000	-1,062,800
GPR	Community Support Programs and Psychosocial Services	4,175,000	-417,500
GPR	Initiatives for Coordinated Services	202,000	-20,200
PR	Compulsive Gambling Awareness Campaigns	396,000	-39,600
PR	Native American Aids	268,900	-26,900
PR	Native American Drug Abuse Prevention and Education	495,000	-49,500
PR	Alcohol and Other Drug Abuse Initiatives	581,200	-58,100
PR	Collection Remittances to Local Governments	4,900	-500
PR	Services for Drivers -- Intoxicated Driver Program	990,000	-99,000
PR	Administrative Service Fees	4,500	-500
	Quality Assurance		
GPR	General Program Operations	$1,052,800	-$105,300
PR	Nursing Facility Resident Protection	149,500	-15,000
PR	Administrative Service Fees	52,900	-5,300
	Long-Term Care Services		
PR	Elderly Nutrition -- Home-delivered and Congregate Meals	$495,000	-$49,500
	General Administration		
GPR	General Program Operations	$1,909,400	-$191,000
	Total Reduction, All Funds	$76,924,700	-$7,692,900

4. DEBT SERVICE REESTIMATE

GPR	$12,978,700

Governor: Increase funding by $6,382,800 in 2011-12 and by $6,595,900 in 2012-13 to reflect the current law reestimate of debt service payments for DHS care facilities.

5. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $13,109,300

Governor: Reduce funding by $13,719,200 in 2011-12 and increase funding by $609,900 in 2012-13 to reflect the changes in estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. (See "Building Commission" for additional information regarding this provision.) The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts.

6. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $1,485,600	- 11.42
FED	- 1,022,800	- 8.80
PR	- 4,653,600	- 32.14
Total	- $7,162,000	- 52.36

Governor: Delete $3,581,000 (all funds) and 52.36 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $742,800 GPR and 11.42 GPR positions, $511,400 FED and 8.80 FED positions, and $2,326,800 PR and 32.14 PR positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

7. ATTORNEY POSITION TRANSFER

	Funding	Positions
FED	$305,400	1.00

Governor: Provide $152,700 annually and 1.0 position, beginning in 2011-12, to reflect the transfer of an attorney position from the Office of State Employment (OSER) in the Department of Administration to DHS. The bill would reduce OSER's budget by $149,700 PR and 1.0 PR position, beginning in 2011-12. The funding amounts differ because the fringe benefit rate for DHS positions (44.60%) is greater than the rate for OSER positions (41.78%). This attorney position currently provides services for DHS through an inter-agency agreement with OSER.

8. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 2.0 GPR classified position and 1.0 FED classified position, and provide 2.0 GPR unclassified position and 1.0 FED unclassified position in the appropriations for DHS general administration.

Under 2011 Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) will be moved from classified to unclassified service within the specified agencies. The revised unclassified positions were renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions are at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of 2010 Act 10 in regards to the transfer of classified positions to unclassified positions.

9. FEDERAL REVENUE REESTIMATES

FED	$79,893,300

Governor: Provide $39,231,800 in 2011-12 and $40,661,500 in 2012-13 to reflect estimates of changes in federal funding for selected DHS programs in the 2011-13 biennium. The following table, organized by DHS division, shows the base funding amount for appropriations affected by this item, the funding change under this item, the change under other items in the bill, and the total amount budgeted in each year of the 2011-13 biennium.

		2011-12			2012-13		
	2010-11 Base	Funding Adjustment	Other Funding Changes in Bill	Total	Funding Adjustment	Other Funding Changes in Bill	Total
Public Health							
WIC Benefits	$85,000,000	$8,000,000	$0	$93,000,000	$8,000,000	$0	$93,000,000
Project Operations	20,631,200	3,542,900	52,700	24,226,800	4,712,300	-735,300	24,608,200
Project Aids	55,000,000	5,381,100	0	60,381,100	5,381,100	0	60,381,100
Preventive Health Block Grant	2,724,600	-808,500	-104,800	1,811,300	-847,000	-104,800	859,500
Maternal and Child Health Block Grant	11,638,200	-1,567,100	23,400	10,094,500	-1,347,300	23,400	10,314,300
Health Care Access and Accountability							
Income Maintenance	55,935,400	1,156,200	-9,189,100	47,902,500	1,156,200	-31,206,200	25,885,400
ARRA FoodShare Administrative Supplement	2,313,000	-2,313,000	0	0	-2,313,000	0	0
Project Aids	400,000	600,000	0	1,000,000	600,000	0	1,000,000
Family Care Contract Administration	10,064,000	5,936,000	106,200	16,106,200	5,936,000	1,667,200	17,667,200
Disability Determinations	10,230,400	2,254,600	0	12,485,000	2,254,600	0	12,485,000
Mental Health and Substance Abuse							
Project Aids	107,800	8,392,200	0	8,500,000	8,392,200	0	8,500,000
Project Operations	2,500	747,500	0	750,000	747,500	0	750,000
Substance Abuse Block Grant	17,449,000	1,064,300	61,300	18,574,600	1,064,300	61,300	18,574,600
Mental Health Block Grant	640,900	50,000	-1,500	689,400	50,000	22,400	713,300
Quality Assurance							
Medical Assistance -- Administration	26,000	-6,400	-19,600	0	-6,400	-19,600	0
Aging Programs -- Operations	3,200	100	-3,300	0	100	-3,300	0
Long-Term Care							
Medical Assistance Administration	11,528,000	1,045,400	92,100	12,665,500	1,089,300	44,400	12,661,700
Project Aids	663,100	2,983,100	-600	3,645,600	2,983,100	-600	3,645,600
Social Services Block Grant	21,959,300	-94,900	0	21,864,400	-201,100	0	21,758,200
TANF-Converted Community Aids Funding	12,643,000	2,474,300	0	15,117,300	2,495,300	0	15,138,300
General Administration							
Project Operations	23,000	-36,100	33,200	20,100	-36,100	33,200	20,100
Program Operations	1,230,200	430,100	-150,700	1,509,600	550,400	-150,700	1,629,900
Total		**$39,231,800**			**$40,661,500**		

10. PROGRAM REVENUE FUNDING ADJUSTMENTS

PR	$18,162,300

Governor: Provide $8,606,000 in 2011-12 and $9,556,300 in 2012-13 for funding adjustments to program revenue appropriations. In addition, reclassify a PR gifts and grants appropriation for the mental health and substance abuse program as a state operations appropriation, rather than an aids to individuals appropriation. The following table, organized by DHS division, shows the base funding amount for appropriations affected by this item, the funding change under this item, the change under other items recommended by the Governor for these appropriations and the total amount that would be budgeted in each year of the 2011-13 biennium for these appropriations.

		2011-12			2012-13		
	2010-11 Base	Funding Adjustment	Other Items in Bill	Total	Funding Adjustment	Other Items in Bill	Total
Public Health							
Congenital Disorders	$3,072,600	$107,300	-$307,300	$2,872,600	$221,000	-$307,300	$2,986,300
Gifts and Grants	4,991,800	10,008,200	-300	14,999,700	10,008,200	-300	14,999,700
EMS Licensing Fees	0	31,600	0	31,600	31,600	0	31,600
WIC Administration	60,000	30,000	-6,000	84,000	30,000	-6,000	84,000
Health Care Information	1,167,400	155,200	-83,000	1,239,600	122,800	-83,000	1,207,200
Institutions and Related Services							
Repair and Maintenance	$825,300	$19,900	$0	845,200	$39,800	$0	$865,100
Developmental Disability Center Operations	101,941,000	-193,000	6,481,600	108,229,600	-192,500	7,247,600	108,996,100
Farm Operations	30,000	20,000	0	50,000	20,000	0	50,000
Activity Therapy	72,500	159,100	0	231,600	178,300	0	250,800
Gifts and Grants	388,600	-200,000	0	188,600	-200,000	0	188,600
Extended Intensive Treatment Surcharge	0	500,000	0	500,000	500,000	0	500,000
Power Plant Operations	4,617,200	296,400	-9,600	4,904,000	831,100	-9,600	5,438,700
Health Care Access and Accountability							
SeniorCare Enrollment Fees	$2,804,200	$88,500	-$9,000	$2,883,700	$141,200	-$9,000	$2,936,400
Disease Aids Drug Manufacturer Rebates	241,000	148,400	0	389,400	148,400	0	389,400
Interagency and Intra-agency Local Assistance	1,049,300	87,500	0	1,136,800	87,500	0	1,136,800
Mental Health and Substance Abuse							
Fees for Administrative Services	$4,500	$19,900	-$500	$23,900	$19,900	-$500	$23,900
Interagency and Intra-agency Programs	1,123,000	1,712,600	-65,300	2,770,300	1,722,300	-65,300	2,780,000
Long-Term Care							
Children's Long-term Support Waivers	$263,200	$100,300	$0	$363,500	$116,000	$0	$379,200
Fees for Administrative Services	5,000	25,000	0	30,000	25,000	0	30,000
Gifts and Grants	15,100	120,900	0	136,000	120,900	0	136,000
Interagency and Intra-agency Programs	2,891,500	-1,376,900	60,700	1,575,300	-1,376,900	60,700	1,575,300
Interagency and Intra-agency Local Assistance	99,000	1,158,800	0	1,257,800	1,158,800	0	1,257,800
General Administration							
Administration	$1,380,400	-$859,900	$188,000	$708,500	-$835,400	$188,000	$733,000
Personnel	3,198,500	-978,900	-57,400	2,162,200	-829,400	-57,400	2,311,700
Fiscal Management System	1,326,600	-503,100	-22,100	801,400	-460,500	-22,100	844,000
Automated Personnel System	100,000	-12,400	0	87,600	-12,400	0	87,600
Bureau of Information and Technology Services Pass-Thru	11,600,000	-4,100,000	0	7,500,000	-4,100,000	0	7,500,000
Interagency and Intra-agency Programs	1,200	40,600	0	41,800	40,600	0	41,800
Interagency and Intra-agency Aids	0	2,000,000	0	2,000,000	2,000,000	0	2,000,000
Total		**$8,606,000**			**$9,556,300**		

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$160,144,700	$147,285,300	$157,909,500	- $15,094,600	- 4.7%	10.50	11.00	11.00	0.50	4.8%
FED	1,433,600	1,567,700	1,567,700	268,200	9.4	0.00	0.00	0.00	0.00	0.0
PR	1,234,800	1,234,800	1,234,800	0	0.0	0.00	0.00	0.00	0.00	0.0
TOTAL	$162,813,100	$150,087,800	$160,712,000	- $14,826,400	- 4.6%	10.50	11.00	11.00	0.50	4.8%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$159,700

Governor: Adjust the base budget by $79,100 in 2011-12 and $80,600 in 2012-13 for: (a) full funding of salaries and fringe benefits ($77,700 annually); and (b) full funding of lease costs ($1,400 in 2011-12 and $2,900 in 2012-13).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $85,200

Governor: Delete $42,600 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $44,400	- 0.50

Governor: Delete $22,200 and 0.5 position annually to reflect the elimination of long-term vacant positions under the bill. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. ACROSS-THE-BOARD REDUCTION

GPR	- $45,000

Governor: Delete $22,500 annually from the general program operations appropriation for program administration as part of an across-the-board reduction of most GPR and PR appropriations. The across-the-board reductions are equal to 10% of the appropriation less any amounts used to fund salary and fringe benefit costs. GPR and PR appropriations for student aid programs were excluded from these across-the-board reductions.

5. WISCONSIN COVENANT SCHOLARS GRANTS

GPR	- $21,131,900

Governor: Decrease funding by $15,377,300 in 2011-12 and $5,754,600 in 2012-13 for the Wisconsin Covenant Scholars grant program. Total program funding would be $9,622,700 in 2011-12 and $19,245,400 in 2012-13. According to the administration, the amounts of funding that would be provided are based on student participation in the Wisconsin Covenant Scholars program.

Beginning in the spring of 2007, Wisconsin resident students enrolled in the eighth grade have been invited to sign the Wisconsin Covenant pledge. The first Wisconsin Covenant Scholars are expected to graduate in the spring of 2011 and enroll in higher education during the 2011-12 academic year making them eligible for grants in that year. Under administrative rules promulgated in September, 2010, students designated as Wisconsin Covenant Scholars would be eligible for annual awards ranging from $250 to $1,500 in each of the first two years of enrollment at a Wisconsin public or private, non-profit accredited post-secondary institution. Actual awards would be based on the student's financial need. Awards to Wisconsin Covenant Scholars enrolled in their third and fourth years of postsecondary education would be based on a formula approved by the HEAB Board.

Under 2009 Act 28, $25 million was provided for the Wisconsin Covenant Scholars grant program in 2010-11. Because no students were eligible to receive Wisconsin covenant scholars grants in that year, these funds will lapse to the general fund at the end of the 2010-11 fiscal year.

6. SUNSET WISCONSIN COVENANT SCHOLARS GRANT PROGRAM

Governor: Provide that no student may enroll in the Wisconsin Covenant Scholars program after September 30, 2011. Specify that HEAB may only designate a student as a Wisconsin Covenant Scholar for the purpose of receiving a Wisconsin Covenant Scholars grant if the student was enrolled in the Wisconsin Covenant Scholars program by that date. Students who enroll in the program on September 30, 2011, would be expected to graduate from high school in the spring of 2015 and enroll in postsecondary education during the 2015-16 academic year.

[Bill Section: 1132]

7. WISCONSIN COVENANT SCHOLARS GRANT PROGRAM ADMINISTRATION

	Funding	Positions
GPR	$252,200	1.00

Governor: Specify that the Higher Educational Aids Board (HEAB) would be the sole administrator of the Wisconsin covenant scholars grant program and provide $126,100 and 1.0 project position beginning in 2011-12 for the administration that program. The amount provided includes $81,300 for salary and fringe benefits costs, $6,000 to support an LTE position, and $38,800 for supplies and services. Under current law, the Wisconsin Covenant Scholars grant program is administered jointly by the Office of the Wisconsin Covenant Scholars program (OWCSP) in DOA and HEAB. The bill would eliminate OWCSP and transfer all assets, liabilities, tangible personal property, contracts, rules, orders, and pending matters of OWCSP to HEAB. [See Administration -- General Agency Provisions for more information on the elimination of the Office of the Wisconsin Covenant Scholars program.]

Modify grant eligibility such that only students who have been designated as Wisconsin Covenant Scholars by HEAB, instead of by OWCSP under current law, would be eligible for grants. Modify current law to require the UW Board of Regents, the Wisconsin Technical College Board, each tribally-controlled college in this state, and the Wisconsin Association of Independent Colleges and Universities to provide information on tuition and fees to HEAB, instead of OWCSP as under current law. In addition, modify current law to require HEAB, instead of OWCSP, to determine the average resident undergraduate tuition and fees charged at all UW System institutions, technical colleges, tribally-controlled colleges, and private, nonprofit, accredited institutions of higher education in this state. Require the UW-Madison Board of Trustees, which would be created under the bill, to also provide information on tuition and fees to HEAB and require HEAB to similarly determine the average resident academic fees charged by UW-Madison. Modify current law to require the Department of Public Instruction to provide pupil information to HEAB, instead of OWCSP as under current law, as necessary for the Board to fulfill its role in the administration of the Wisconsin Covenant Scholars grant program. Modify current law to require HEAB, instead of DOA, to promulgate rules to implement the Wisconsin covenant scholars grant program.

[Bill Sections: 1125 thru 1131]

8. REESTIMATE MINNESOTA WISCONSIN RECIPROCITY EXPENDITURES

GPR	$5,800,000

Governor: Provide $2,400,000 in 2011-12 and $3,400,000 in 2012-13 to reestimate payments made to Minnesota and Minnesota higher education institutions under the Minnesota-Wisconsin tuition reciprocity agreement. Total funding would increase from $12,600,000 in 2010-11 to $15,000,000 in 2011-12 and $16,000,000 in 2012-13. Payments are made from a sum sufficient appropriation and are fully funded regardless of the amount shown in the appropriation schedule.

For the 2009-10 academic year, Wisconsin made payments totaling $13.0 million under the agreement. Payments made to Minnesota and Minnesota higher education institutions under the agreement are partially offset by tuition paid by Minnesota students attending UW System institutions. Tuition in excess of the Wisconsin resident rate received by UW System institutions is deposited in the general fund. Excess tuition paid by Minnesota students totaled $8.8 million in the 2009-10 year so that the net effect of the agreement on the general fund was -$4.2 million in that year.

9. WHEG-UW

Governor: Modify current law to suspend the link between funding for the Wisconsin higher education grant program for UW students (WHEG-UW) and average increases in UW resident undergraduate tuition for the 2011-13 biennium and maintain base level funding of $58,345,400 in each year of the biennium. For the purpose of calculating future WHEG-UW appropriation amounts, set the statutory base funding reference at $58,345,400.

In addition, specify that students attending UW-Madison would continue to be eligible for WHEG-UW awards and require HEAB to determine the percentage by which resident undergraduate tuition would increase in future years for the purpose of calculating WHEG-UW funding increases under the sum sufficient link.

[Bill Sections: 518 and 1119 thru 1124]

10. REESTIMATE FEDERAL REVENUES

FED	$268,200

Governor: Provide $134,100 annually to reflect increases in federal leveraging educational assistance partnership (LEAP) and special leveraging educational assistance partnership (SLEAP) funds. Base level funding for this appropriation is $1,433,600.

HISTORICAL SOCIETY

Budget Summary						FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$13,498,200	$12,178,700	$13,943,800	- $873,900	- 3.2%	106.15	99.15	99.15	- 7.00	- 6.6%
FED	1,216,500	1,196,900	1,196,900	- 39,200	- 1.6	6.36	6.36	6.36	0.00	0.0
PR	2,965,700	2,668,600	2,662,700	- 600,100	- 10.1	17.50	12.50	12.50	- 5.00	- 28.6
SEG	3,894,400	3,835,500	3,835,500	- 117,800	- 1.5	13.53	7.53	7.53	- 6.00	- 44.3
TOTAL	$21,574,800	$19,879,700	$21,638,900	- $1,631,000	- 3.8%	143.54	125.54	125.54	- 18.00	- 12.5%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$2,008,600	0.00
FED	12,000	0.00
PR	115,800	- 1.00
SEG	215,600	0.00
Total	$2,352,000	- 1.00

Governor: Provide $1,003,100 GPR in 2011-12 and $1,005,500 GPR in 2012-13, $6,000 FED annually, $60,100 PR in 2011-12 and $55,700 in 2012-13 and -1.0 PR position, and $107,800 SEG annually to adjust the base budget for the following: (a) turnover reduction (-$156,000 GPR annually); (b) removal of noncontinuing elements from the base (-$49,700 PR in 2011-12 and -$54,100 PR in 2012-13 and -1.0 PR position annually); (c) full funding of continuing salaries and fringe benefits ($1,136,300 GPR, $6,000 FED, $109,800 PR, and $107,800 SEG annually); (d) overtime ($7,600 GPR annually); (e) night and weekend differential pay ($12,900 GPR annually); (f) full funding of lease and directed moves costs ($2,300 GPR in 2011-12 and $4,700 GPR in 2012-13); (g) minor transfers within the same appropriation.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $949,000
FED	- 51,200
PR	- 157,000
SEG	- 118,400
Total	- $1,275,600

Governor: Delete $637,800 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $474,500 GPR, $25,600 FED, $78,500 PR, and $59,200 SEG. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $674,600	- 7.00
PR	- 331,800	- 4.00
SEG	- 215,000	- 6.00
Total	- $1,221,400	- 17.00

Governor: Delete $610,700 (all funds) and 17.0 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $337,300 GPR and 7.0 GPR positions, $165,900 PR and 4.0 PR positions, and $107,500 SEG and 6.0 SEG positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. CURRENT LAW DEBT SERVICE REESTIMATE

GPR	$917,900
PR	- 34,900
Total	$883,000

Governor: Adjust funding by $450,400 GPR and -$16,700 PR in 2011-12 and $467,500 GPR and -$18,200 PR in 2012-13 to reflect the current law reestimate of debt service costs on state general obligation bonds and commercial paper debt.

5. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $1,556,700

Governor: Decrease funding by $1,631,300 in 2011-12 and increase funding by $74,600 in 2012-13 to the reflect the changes in estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (see "Building Commission" for additional information regarding this provision).

6. ACROSS-THE-BOARD REDUCTIONS

GPR	- $287,200
PR	- 192,200
Total	- $479,400

Governor: Delete $143,600 GPR and $96,100 PR annually as part of across-the-board reductions, excluding salary and fringe benefits. Reduction amounts are listed below.

Appropriation	Base	Annual Reduction	Change
GPR			
General program operations	$10,270,600	-$143,600	-1.4%
PR			
Gifts, grants & membership sales	387,600	-16,400	-4.2
Storage facility	213,900	-14,500	-6.8
Northern Great Lakes Center	259,300	-3,000	-1.2
General program operations--Service funds	1,838,700	-60,700	-3.3
Records management-- Service funds	241,100	-1,500	-0.6

7. FUEL AND UTILITIES REESTIMATE

GPR	- $332,900

Governor: Delete $186,300 in 2011-12 and $146,600 in 2012-13 as a reestimate of fuel and utilities costs. Annual base level funding is $1,222,300.

INSURANCE

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
PR	$16,695,500	$16,675,800	$16,675,800	- $39,400	- 0.1%	131.25	130.25	130.25	- 1.00	- 0.8%
SEG	87,267,700	87,261,500	87,261,500	- 12,400	< - 0.1	12.75	12.75	12.75	0.00	0.0
TOTAL	$103,963,200	$103,937,300	$103,937,300	- $51,800	< - 0.1%	144.00	143.00	143.00	- 1.00	- 0.7%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$2,879,600
SEG	78,400
Total	$2,958,000

Governor: Provide $1,479,000 annually ($1,439,800 PR and $39,200 SEG) to adjust the agency's base budget for the following items: (a) turnover reduction (-$204,300 PR annually); (b) full funding of continuing salaries and fringe benefits ($1,615,300 PR and $37,900 SEG annually); and (c) full funding of lease and directed move costs ($28,800 PR and $1,300 SEG annually).

2. LAPSE OF UNENCUMBERED PROGRAM REVENUES

GPR-Earned	$37,500,000

Governor: Provide that at the end of each fiscal year, any unencumbered PR balance in OCI's general program operations appropriation that exceeds 10 percent of the expenditures from that appropriation would lapse to the general fund. All fees paid to OCI, such as agent licensing and appointment fees, are credited to this appropriation. This provision would take effect on the bill's general effective date.

The administration estimates that this provision would result in lapses to the general fund of $19.0 million in 2011-12 and $18.5 million in 2012-13, based on current program revenue projections and the total expenditures from this appropriation that would be authorized in the bill. However, the actual lapse amount would depend on revenue collections and expenditures in each state fiscal year.

[Bill Section: 493]

3. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

PR	- $1,220,000
SEG	- 117,600
Total	- $1,337,600

Governor: Delete $668,800 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $610,000 PR and $58,800 SEG. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

4. 10% ACROSS-THE-BOARD REDUCTION FOR NON-STAFF COSTS

PR	- $1,329,800

Governor: Reduce funding for supplies and services for the agency's program revenue-funded general program operations appropriation by $664,900 annually. The amount of the reduction equals 10% of the base funding budgeted for supplies and services ($5,457,000) and transfers that OCI makes to other agencies ($1,192,400). The bill would reduce funding for non-salary and non-fringe benefit costs by 10% for most GPR and PR appropriations.

5. MEDIGAP HELPLINE

PR	- $243,600

Governor: Reduce funding budgeted in OCI that would be available to transfer to the Board on Aging and Long-Term Care (BOALTC) to operate the Medigap Helpline by $121,800 annually. OCI is currently budgeted $448,000 annually to support the Helpline. Consequently, under the bill, OCI would be budgeted $326,000 annually to support the Helpline. The BOALTC Medigap Helpline provides insurance information to elderly individuals.

The bill would increase funding budgeted in BOALTC to support the Medigap Helpline by $25,600 annually, supported by revenues transferred from OCI, so that a total of $473,600 would be budgeted annually. The administration indicates that it will recommend that funding in the bill for OCI be increased by $147,600 annually to ensure that OCI has sufficient expenditure authority to support the Governor's recommended funding level for the Medigap Helpline.

6. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
PR	- $125,600	- 1.00

Governor: Delete $62,800 and 1.0 position, beginning in 2011-12, to reflect the elimination of long-term vacant positions under the bill. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

7. SERVICES PROVIDED TO THE IPFCF PEER REVIEW COUNCIL

SEG	$26,800

Governor: Provide $13,400 annually to fund organizational support services, such as accounting and information technology services, provided to the injured patients and families compensation fund (IPFCF) Peer Review Council by other units in OCI and by the Department of Administration. The SEG funds administered by OCI are currently charged for these services. However, the costs of organizational support services provided to the Peer Review Council are not charged to, or paid from, the Council's appropriation. This item would apply these charges to the Peer Review Council as well.

The Peer Review Council reviews provider medical malpractice claim records to determine whether a provider must pay a surcharge in addition to the basic fees for participation in the IPFCF. Operation of the Peer Review Council is funded by assessments to the IPFCF and private malpractice insurers, as described in administrative rule.

8. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 2.0 PR classified positions and provide 2.0 PR unclassified positions under the OCI general program operations appropriation.

Under 2011 Wisconsin Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) will be moved from classified to unclassified service within the specified agencies. The revised unclassified positions were renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions are at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of 2010 Wisconsin Act 10 in regards to the transfer of classified positions to unclassified positions.

9. LOCAL GOVERNMENT PROPERTY INSURANCE FUND REALLOCATION

Governor: Transfer $461,600 SEG in 2011-12 and $497,900 SEG in 2012-13 from an appropriation that funds specified payments from the local government property insurance fund to the appropriation that funds administrative costs relating to the fund. The fund issues property insurance to local units of government, and is supported by premiums charged to participating governmental entities.

Currently, OCI funds part of the costs of contractual services, such as underwriting and valuation services, from two appropriations -- an administrative appropriation, which is budgeted

$593,800 to support these costs, and an appropriation that funds specified payments, including payments for insurance losses. The administration estimates that the total costs of these contractual services will be $1,055,400 in 2011-12 and $1,091,700 in 2012-13. With this funding transfer, all contractual services costs would be expended from the fund's administrative appropriation. This item would permit OCI to comply with a 2009 Legislative Audit Bureau recommendation.

10. REPEAL REQUIRED INSURANCE COVERAGE OF CONTRACEPTIVES

Governor: Repeal provisions that require private health insurance policies and self-insured governmental health plans to provide coverage of contraceptives and related services. These provisions were enacted as part of 2009 Act 28.

The repeal of this insurance requirement would take effect on the first day of the fourth month beginning after publication of the enacted bill, and would first apply as follows:

a. To disability insurance policies that are issued or renewed, and governmental or school district self-insured health plans that are established, extended, modified, or renewed, on the effective date of the bill;

b. To disability insurance policies covering employees who are affected by a collective bargaining agreement containing provisions inconsistent with these requirements that are issued or renewed on the earlier of the following: (a) the day on which the collective bargaining agreement expires: or (b) the day on which the collective bargaining agreement is extended, modified, or renewed; and

c. To governmental or school district self-insured health plans covering employees who are affected by a collective bargaining agreement containing provisions inconsistent with those described above, that are established, extended, modified or renewed on the earlier of the following: (a) the day on which the collective bargaining agreement expires; or (b) the day on which the collective bargaining agreement is extended, modified, or renewed.

Current law requires every disability insurance policy and every self-insured health plan of the state, a county, city, town, village, or school district, that provides coverage of outpatient health care services, preventative treatments and services, or prescription drugs and devices to provide coverage for all of the following: (a) prescribed contraceptives; and (b) outpatient consultations, examinations, procedures, and medical services that are necessary to prescribe, administer, maintain, or remove a contraceptive, if covered for other drug benefits. For the purposes of this requirement, "contraceptives" are defined as drugs or devices approved by the federal Food and Drug Administration to prevent pregnancy.

A policy or plan may only subject coverage of contraceptives to the exclusions, limitations, or cost-sharing provisions that generally apply to outpatient health care services, preventative treatments, and prescription drugs or devices provided under the policy. This requirement does not apply to the following types of policies: (a) a policy that covers only certain specified diseases; (b) a policy that provides only limited-scope dental or vision benefits;

(c) a health care plan offered by a limited service health organization, or a preferred provider plan that is not a defined network plan; (d) a long-term care insurance policy; or (e) a Medicare replacement or supplement policy.

[Bill Sections: 1157, 1158, 1718, 2425, 2558, 2706, 3470, 3473, 9325(1), and 9425(1)]

11. CLOSE ENROLLMENT IN THE STATE LIFE INSURANCE FUND

Governor: Prohibit the state life insurance fund from accepting applications for life insurance coverage on or after the effective date of the bill, and specify that the fund may only issue policies on the basis of applications received before the effective date of the bill.

The fund offers life insurance policies of up to $10,000 to any Wisconsin resident and is subject to the same regulations that apply to other life insurance policies. Currently, the fund offers two types of policies -- term insurance, which offers a benefit only upon the death of the insured, and whole life insurance, which accumulate a cash value which is returned to the insured once the policy is surrendered. The fund currently offers four different whole life policies, each with different premium payment options.

No state money supports the fund's operations or payments, and the fund's policies are not sold by commissioned agents. As of December 31, 2010, the fund had 27,421 policies for a total of $209.8 million of insurance in force.

[Bill Sections: 3468 and 3469]

INVESTMENT BOARD

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
PR	$30,022,600	$28,888,600	$28,888,600	- $2,268,000	- 3.8%	124.25	124.25	124.25	0.00	0.0%

Under s. 25.187 of the statutes, the agency's budget for a fiscal year may not exceed the greater of the amount that the Board could have assessed the trust funds in the second year of the prior fiscal biennium or 0.0325% of the average market value of the assets of the funds at the end of each month between November 30 and April 30 of the preceding fiscal year. The average month-end market value of assets under management for the period November 30, 2009, through April 30, 2010, was $78,835 million. Because 0.0325% of this amount (approximately $25.6 million) is lower than the amount that the Board could have assessed the trust funds in the second year of the prior fiscal biennium ($30,022,600), the budget authority for the 2010-11 adjusted base year is established at $30,022,600.

Under current law, the actual budget levels for the 2011-12 fiscal year will be determined by the greater of the amount that the Board could have assessed the trust funds in 2010-11 ($30,022,600) or 0.0325% of the average month-end market value of assets under management for the period November 30, 2010 through April 30, 2011. The actual budget levels for the 2012-13 fiscal year will be determined by the greater of the amount that the Board could have assessed the funds in 2010-11 ($30,022,600) or 0.0325% of the average month-end market value of assets under management for the period November 30, 2011, through April 30, 2012.

Budget Change Item

1. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

PR	- $2,268,000

Governor: Delete $1,134,000 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

JUDICIAL COMMISSION

	Budget Summary					FTE Position Summary				
		Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	2010-11 Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$245,800	$358,300	$290,900	$157,600	32.1%	2.00	2.00	2.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$15,800

Governor: Provide standard adjustments totaling $7,900 annually. Adjustments are for: (a) full funding of continuing salaries and fringe benefits ($5,900 annually); and (b) full funding of lease costs and directed moves ($2,000 annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $20,000

Governor: Delete $10,000 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

GPR	- $12,400

Governor: Reduce funding by $6,200 annually associated with a 10% reduction to supplies and other non-personnel costs. Reductions would be applied as follows: (a) $4,400 annually to the Commission's general program operations appropriation; and (b) $1,800 annually to the Commission's contractual agreements appropriation, which is utilized to provide funding to retain assistance to investigate and prosecute allegations of judicial disability or misconduct.

4. RISK MANAGEMENT ASSESSMENT

GPR	$174,200

Governor: Provide $120,800 in 2011-12, and $53,400 in 2012-13, to pay increased state risk management assessments. The adjusted base funding for supplies and services for the Judicial Commission in its general program operations appropriation totals $43,100 annually. Of this base supplies and services funding, $35,100 annually is utilized to pay for rent and the cost of Commission meetings. Remaining base supplies and services funding ($8,000) is utilized to pay for certain costs of investigations, office supplies, office equipment, utilities, legal books, and the production of required annual reports.

The state risk management program self-insures state agencies for legal claims involving property damage, liability, and workers' compensation. State agencies are required to pay annual assessments to the state risk management program based on potential legal exposure and actual claims history.

JUDICIAL COUNCIL

Budget Summary						FTE Position Summary				
		Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	2010-11 Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$127,600	$127,700	$127,700	$200	0.1%	1.00	1.00	1.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$18,400

Governor: Provide standard adjustments totaling $9,200 annually. Adjustments are for: (a) full funding of continuing salaries and fringe benefits ($8,900 annually); and (b) full funding of lease costs and directed moves ($300 annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $9,600

Governor: Delete $4,800 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

GPR	- $8,600

Governor: Reduce funding by $4,300 annually associated with a 10% reduction to supplies and other non-personnel costs.

JUSTICE

	Budget Summary					FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$41,579,800	$41,084,300	$41,113,200	- $962,100	- 1.2%	367.08	374.08	377.08	10.00	2.7%
FED	8,509,800	8,463,300	8,343,300	- 213,000	- 1.3	35.35	30.95	29.95	- 5.40	- 15.3
PR	43,635,100	38,530,100	38,540,800	- 10,199,300	- 11.7	190.21	181.21	181.21	- 9.00	- 4.7
SEG	364,000	373,100	373,100	18,200	2.5	2.75	2.75	2.75	0.00	0.0
TOTAL	$94,088,700	$88,450,800	$88,370,400	- $11,356,200	- 6.0%	595.39	588.99	590.99	- 4.40	- 0.7%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$3,271,000	0.00
FED	546,600	- 1.00
PR	128,000	0.00
SEG	53,200	0.00
Total	$3,998,800	- 1.00

Governor: Provide standard adjustments totaling $1,635,500 GPR, $293,100 FED, $58,500 PR, and $26,600 SEG in 2011-12, and $1,635,500 GPR, $253,500 FED and -1.0 FED position, $69,500 PR, and $26,600 SEG in 2012-13. Adjustments are for: (a) turnover reduction (-$549,200 GPR and -$132,600 PR annually); (b) removal of noncontinuing elements from the base (-$68,200 FED and -$598,000 PR in 2011-12, and -$107,800 FED and -1.0 FED position and -$598,000 PR in 2012-13); (c) full funding of salaries and fringe benefits ($1,609,400 GPR, $348,700 FED, -$115,800 PR, and $13,500 SEG annually); (d) reclassifications ($89,100 PR in 2011-12, and $100,100 PR in 2012-13); (e) overtime ($157,300 GPR, $555,400 PR, and $11,400 SEG annually); (f) night and weekend differential ($10,200 GPR and $2,200 PR annually); and (g) full funding of lease costs and directed moves ($407,800 GPR, $12,600 FED, $258,200 PR, and $1,700 SEG annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $3,446,200
FED	- 376,600
PR	- 1,769,000
SEG	- 35,000
Total	- $5,626,800

Governor: Delete $2,816,900 in 2011-12, and $2,809,900 in 2012-13, to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $191,800 FED in 2011-12, and $184,800 FED in 2012-13, as well as $1,723,100 GPR, $884,500 PR, and $17,500

SEG annually. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. BUDGET REDUCTIONS

GPR	- $1,783,600
PR	- 3,610,200
Total	- $5,393,800

Governor: Reduce funding by $891,800 GPR and $1,805,100 PR annually associated with a 10% reduction to supplies and other non-personnel costs. Included in the recommended reductions are several large reductions which are shown below.

Fund	Appropriation	Annual Reduction
GPR	Law Enforcement-General Program Ops.	$390,200
	County Victim/Witness Programs	140,800
	Crime Victim Awards	124,500
PR	Victim Surcharge-General Services	$451,300
	Criminal History Searches; Fingerprints	295,900
	TIME System User Fees	225,500
	Sexual Assault Victim Services	198,000
	Drug Law Enforcement; Crime Labs	193,700

4. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $814,800	- 7.00
FED	- 1,264,600	- 8.00
PR	- 592,000	- 4.00
Total	- $2,671,400	- 19.00

Governor: Delete $1,335,700 (all funds) and 19.0 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $407,400 GPR and 7.0 GPR positions, $632,300 FED and 8.0 FED positions, and $296,000 PR and 4.0 PR positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

5. INTERNET CRIMES AGAINST CHILDREN TASK FORCE

	Funding	Positions
GPR	$1,041,200	11.00

Governor: Provide $497,300 and 8.0 positions in 2011-12, and $543,900 and 11.0 positions in 2012-13, to provide additional resources to the Internet Crimes Against Children (ICAC) Task Force at DOJ. Under the bill, 4.0 criminal analysts, 3.0 special agents, and 1.0 operations program associate would be created in 2011-12. In 2012-13, an additional 1.0 criminal analyst and 2.0 operations program associates would be created. Funding would include: (a) $343,200 in 2011-12, and $491,100 in 2012-13, for salary and fringe benefits costs; and (b) $154,100 in 2011-12, and $52,800 in 2012-13 for supplies and services costs.

In addition, transfer $237,600 GPR and 3.0 GPR positions annually from DOJ's

Administrative Services general program operations appropriation to its Law Enforcement Services general program operations appropriation. The provisions of 2009 Act 28 provided 3.0 additional ICAC positions to DOJ under its Administrative Services general program operations appropriation, but required the Department to fund these positions utilizing base resources. This budget provision would transfer these positions and the associated funding to the Department's Law Enforcement Services general program operations appropriation.

The Wisconsin ICAC Task Force was created in 1998 with federal funding to counter the emerging threat of offenders using online technology to sexually exploit children. The task force conducts investigations, provides investigative, forensic and prosecutorial assistance to law enforcement agencies and prosecutors, encourages statewide and regional collaboration, and provides training for law enforcement, prosecutors, parents, teachers, and other community members. The task force also coordinates with the Wisconsin Clearinghouse for Missing and Exploited Children, to provide support services to children and families that have experienced victimization.

The Wisconsin ICAC Task Force is led by DOJ. In 2006-07, the ICAC task force unit in DOJ was authorized 10.0 full-time equivalent positions. Under 2007 Act 20, the Legislature provided 5.0 additional positions annually to the ICAC unit (2.0 special agents and 3.0 computer forensic analysts). Under 2009 Act 28, the Legislature authorized an additional 5.0 positions annually to the ICAC unit (2.0 special agents and 3.0 computer forensic analysts).

6. DNA ANALYSIS RESOURCES

	Funding	Positions
GPR	$770,300	6.00

Governor: Provide $394,000 in 2011-12, $376,300 in 2012-13, and 6.0 DNA analyst positions annually, to provide additional staffing and supplies and services resources to the state crime laboratories for deoxyribonucleic acid (DNA) analysis. Funding would include: (a) $217,000 in 2011-12, and $289,300 in 2012-13, for salary and fringe benefits costs; and (b) $177,000 in 2011-12, and $87,000 in 2012-13, for supplies and services costs.

Under s. 165.77 of the statutes, the state crime laboratories are required to provide DNA analysis and maintain a DNA databank. The laboratories are required to analyze the DNA in a human biological specimen, if requested: (a) by a law enforcement agency regarding an investigation; (b) pursuant to a court order; and (c) by an individual regarding his or her own specimen, subject to rules established by the Department.

Under 2007 Acts 5 and 20, the Legislature provided additional resources to DOJ to address an increasing DNA analysis caseload/backlog. Prior to the passage of these acts, the state crime laboratories were authorized 29.0 DNA analysts. Together these acts provided position authority and funding for 31.0 additional DNA analysis-related positions including: (a) 29.0 DNA analysts; (b) 1.0 DNA technician; and (c) 1.0 DNA analysis supervisor. With the additional resources DOJ indicated that it eliminated the DNA analysis backlog at the end of the 2009-10 state fiscal year. The Executive Budget Book indicates that the additional resources are recommended to address increasing caseloads and to prevent backlogs.

7. PENALTY SURCHARGE SHORTFALL

PR	- $2,619,500

Governor: Include the following statutory and funding changes to address a projected shortfall in the penalty surcharge receipts appropriation.

Reduce Penalty Surcharge Funded Appropriations. Reduce penalty surcharge funded appropriations in five different state agencies by 10% annually (generally after standard budget adjustments). The fiscal effects of these reductions are described in the budget summaries of each affected agency [Administration -- General Agency Provisions, Administration -- Office of Justice Assistance, Corrections -- Adult Correctional Facilities, Justice, Public Defender, and Public Instruction].

Reduce Affected DOJ Appropriations. Reduce expenditure authority under the following agency appropriations by $1,309,600 in 2011-12, and by $1,309,900 in 2012-13.

Appropriation	2011-12	2012-13
Law Enforcement Training Fund-Local	-$485,000	-$485,000
Law Enforcement Training Fund-State	-358,700	-358,700
Drug Enforcement Intelligence Operations	-180,000	-180,300
TIME System	-88,700	-88,700
County Victim-Witness Services Reimbursement	-83,200	- 83,200
Drug Crimes Enforcement; Local Grants	-79,800	-79,800
Crime Laboratory Equipment and Supplies	-34,200	-34,200
Total	-$1,309,600	-$1,309,900

Modifications to Appropriations. Require that all unencumbered balances at the end of each fiscal year in all penalty surcharge supported appropriations revert to the penalty surcharge receipts appropriation under DOJ.

[Bill Sections: 686 thru 692 and 696]

8. TRANSFER NARCOTICS ENFORCEMENT FUNDING AND POSITIONS TO CRIMINAL INVESTIGATION

Governor: Delete base funding and positions allocated to narcotics enforcement totaling $9,531,100 and 67.0 positions annually ($2,513,800 GPR and 20.0 GPR positions, $2,018,500 FED and 14.0 FED positions, and $4,998,800 PR and 33.0 PR positions annually). Provide an offsetting $9,531,100 and 67.0 positions annually to the Division of Criminal Investigation ($2,513,800 GPR and 20.0 GPR positions, $2,018,500 FED and 14.0 FED positions, and $4,998,800 PR and 33.0 PR positions annually). The bill would eliminate the specific allocation of funding and positions for narcotics enforcement, and instead allocate these resources more broadly for criminal investigation. Under current law, the Legislature has specifically allocated a portion of the funding and positions provided to the Division of Criminal Investigation for narcotics enforcement.

9. CRIMINAL HISTORY SEARCH FEES

PR-REV	$580,600
PR	- $500,000

Governor: Provide that all requesters of criminal record name searches for non-criminal justice related purposes be charged $7 per request. Under current law, nonprofit organizations and governmental agencies pay $7 per request, while other requesters pay $13 per request. Current law also provides that effective July 1, 2011, the fee charged to nonprofit organizations will revert to $2. [Prior to 2009 Act 28, nonprofit organizations paid $2 per request for non-criminal justice related requests for criminal record name searches.] The Department of Justice estimates that adopting these fee changes would generate an additional $290,300 in annual revenue.

In addition, delete $250,000 PR annually in expenditure authority supported by criminal history search fees. The Department of Administration indicates that base expenditure authority exceeds estimated annual expenditures in the 2011-13 biennium.

[Bill Sections: 2683 thru 2685]

10. ALLOCATION OF DISCRETIONARY LEGAL SETTLEMENT FUNDING

Governor: Modify the Division of Administrative Services gifts, grants and proceeds appropriation to provide that funding must annually be transferred from the DOJ appropriation to the new Department of Administration (DOA) federal resource acquisition appropriation. The required transfer would equal the amounts provided in the Chapter 20 appropriations schedule for the DOA appropriation. Under the bill, this DOA appropriation is provided $128,300 PR annually. Further provide that $41,000 PR in 2011-12, be transferred from this DOJ gifts, grants and proceeds appropriation to the Supreme Court Law Library's gifts and grants appropriation for the purchase of archival material.

The Executive Budget Book indicates that the transfer of funding to the DOA federal resource acquisition appropriation is intended to provide sufficient funding to eliminate the need for law enforcement agencies to pay a $500 annual fee to participate in the Section 1033 program. Section 1033 of the National Defense Authorization Act of 1997 permits the federal Department of Defense to transfer excess military property to law enforcement agencies. Eligible law enforcement agencies are government agencies whose primary duty is the enforcement of federal, state, and local laws, and whose compensated full-time law enforcement officers have arrest and apprehension powers. Excess property acquired by law enforcement agencies under the program can be used for counter-drug and other law enforcement activities except for the operation of a jail. The Wisconsin Technical College System Foundation operates the Wisconsin Section 1033 program through an agreement with DOA's Office of Justice Assistance.

Under current law, DOJ utilizes its Division of Administrative Services gifts, grants and proceeds appropriation to receive and allocate legal settlement funds that are distributed at the discretion of the Attorney General. The Executive Budget Book indicates that the intent of the bill is to transfer "discretionary legal settlement funds" to the new DOA federal resource acquisition appropriation and to the State Law Library's gifts and grants appropriation.

[Bill Sections: 336, 694, 721, and 9245(1)]

11. ADMINISTRATION OF SEXUAL ASSAULT VICTIM SERVICES PROGRAM

Governor: Amend the PR continuing sexual assault victim services grant program appropriation to authorize funding to be expended from this appropriation to administer the grant program. This appropriation is funded from Part B of the crime victim and witness assistance surcharge. On July 14, 2009, the Joint Committee on Finance approved a request, pursuant to s. 16.515/16.505(2), Stats., to create a 0.4 PR position to administer the sexual assault victim services grant program. In its approval letter, the Committee indicated that "this appropriation might be amended to specifically indicate that the appropriation may be used to administer the sexual assault victim services grant program." The bill language follows up on this Committee recommendation.

Under the sexual assault victim services grant program, grants are provided to eligible nonprofit corporations or public agencies to provide (or subcontract to provide) all of the following services for sexual assault victims: (a) advocacy and counseling services; (b) 24-hour crisis telephone service; (c) educational programs on professional intervention and community prevention; and (d) services for persons living in rural areas, men, children, elderly or physically disabled persons, minority groups or other groups of victims that have special needs within the service area of the nonprofit corporation or public agency. An eligible organization may not receive more than 70% of its operating budget from grants provided under this program and may not contract, subcontract or enter into agreements with other organizations or individuals to provide all of the required services.

[Bill Section: 695]

12. GAMING ENFORCEMENT

	Funding	Positions
PR	- $267,600	- 1.00

Governor: Delete the statutory requirement that the Attorney General establish a separate Gaming Enforcement Bureau under the Division of Criminal Investigation in which all of the Department's gaming law enforcement responsibilities must be performed. In addition, delete $133,800 and 1.0 position annually from the Department's gaming law enforcement; racing revenues appropriation. As a result, this appropriation would have no expenditure or position authority. With the closure of the last dog track in Wisconsin, funding and position authority is no longer needed for oversight and enforcement of state laws regarding dog tracks. While the bill would eliminate the requirement to establish a Gaming Enforcement Bureau, DOJ would continue to enforce the state's gaming laws under Chapters 562 to 569 and Chapter 945 of the statutes.

[Bill Sections: 685, 693, and 2682]

13. THREAT LIAISON OFFICER PROGRAM

FED	$87,400
PR	- 174,800
Total	- $87,400

Governor: Delete $87,400 PR annually from the PR continuing Law Enforcement Services interagency and intra-agency assistance appropriation associated with salary and fringe benefits funding for a 1.0 project position under the threat liaison officer program. Provide $87,400 FED in 2011-12 and transfer this 1.0 project position to the Law Enforcement Services federal aid, state operations appropriation. In order to effectuate this provision a 1.0 PR position must be deleted from the interagency and intra-agency assistance appropriation and a 1.0 FED position must be created under the federal aid, state operations appropriation. The Executive Budget Book has also expressed an intention to extend the position authority for this project position for its fourth and final year through June 30, 2012.

The Department of Administration's Office of Justice Assistance (OJA) is the state agency that receives federal homeland security grant awards from the federal government. The Office then makes awards of these grant funds to eligible state and local agencies. The Executive Budget Book indicates that the threat liaison officer program position is funded through federal homeland security grants awarded by OJA. Under current budget practice, only federal funds directly received by an agency from the federal government are deposited to a federal appropriation. Federal funds to support the threat liaison officer program should be received directly by DOJ, and not by OJA, in order to be deposited to the DOJ federal aid, state operations appropriation.

Under the bill, the funding source of the threat liaison officer program project position would change from PR to FED. While PR project positions must be approved by the Legislature, FED project positions may be created by executive branch agencies without legislative oversight. The Legislature would not have to approve the extension of the threat liaison officer program project position for its final year through June 30, 2012, if the position is converted to a federal position.

The threat liaison officer program trains government officials and members of the private sector across the state to: identify potential terrorist activity, report suspicious activity, respond to natural or man made catastrophic events, work to protect critical infrastructure, and engage in information sharing across disciplines. In carrying out this program, the state has been divided into six regions that mirror the regions developed by Wisconsin Emergency Management. Each region is represented by a coordinating team including a local law enforcement or emergency manager, a member of the FBI and an assigned DOJ analyst from the Wisconsin Statewide Information Center.

14. WISCONSIN STATEWIDE INFORMATION CENTER

	Funding	Positions
FED	$924,200	5.00
PR	- 924,200	- 5.00
Total	$0	0.00

Governor: Delete $462,100 PR and 5.0 PR positions annually from the PR continuing Law Enforcement Services interagency and intra-agency assistance appropriation associated with salary and fringe benefits funding for 5.0 positions under the Wisconsin Statewide Information Center (WSIC). Provide $462,100 FED and 5.0 FED positions annually to the Law Enforcement Services federal aid, state operations appropriation.

The Department of Administration's Office of Justice Assistance (OJA) is the state agency that receives federal homeland security grant awards from the federal government. The Office then makes awards of these grant funds to eligible state and local agencies. The Executive Budget Book indicates that the WSIC is funded through federal homeland security grants awarded by OJA. Under current budget practice, only federal funds directly received by an agency from the federal government are deposited to a federal appropriation. Federal funds to support the WSIC should be received directly by DOJ, and not by OJA, in order to be deposited to the DOJ federal aid, state operations appropriation.

Under the bill, the funding source for the WSIC would change from PR to FED. While PR project positions must be approved by the Legislature, FED project positions may be provided to executive branch agencies without legislative oversight. If the WSIC would seek additional project positions in the future, these project positions could be created without legislative oversight if the positions were considered federally-funded positions.

The WSIC is not restricted to a law enforcement or terrorism focus, but rather, at the recommendation of the federal Department of Homeland Security, has been developed as an all crimes, all hazards information sharing center that has a broad emergency response focus. In an emergency it is the responsibility of the WSIC to provide "actionable information" to assist Wisconsin Emergency Management or other state and local agencies in coordinated response to the emergency. It is also the responsibility of the WSIC to serve as the state agency intelligence lead for any criminal investigation resulting from a major incident.

15. VICTIM SERVICES SPECIALIST POSITION REALIGNMENT

	Funding	Positions
FED	- $130,000	- 1.00
PR	130,000	1.00
Total	$0	0.00

Governor: Delete $65,000 FED and 1.0 FED position annually from DOJ's federal aid; victim assistance appropriation. This position is a victim services specialist position that works in the Victim Resource Center at DOJ. Instead, provide $65,000 PR and 1.0 PR position annually to DOJ's PR annual interagency and intra-agency assistance; reimbursement to counties appropriation. Under the PR appropriation, the position would still be funded from a federal pass-though grant under the federal Victims of Crime Act (VOCA).

16. INTERCHANGE OF EMPLOYEES OR SERVICES WITH MINNESOTA

Governor: Provide that any state of Minnesota employee performing services for Wisconsin, pursuant to a valid agreement between the states providing for interchange of employees or services, is considered to have the same status as a Wisconsin employee performing the same services in any action brought under the laws of Wisconsin. Further, provide that any Wisconsin employee performing services for the state of Minnesota pursuant to such an agreement is considered to have the same status as when performing the same services for Wisconsin in any action brought under the laws of Wisconsin. Require DOJ to provide representation in these cases. In addition, any employee of the state of Minnesota found liable as a result of performing services for Wisconsin under a valid interchange agreement between the states must be indemnified by Wisconsin to the same extent as an employee of the state of Wisconsin performing the same services. Witnesses on behalf of the state in these actions would be entitled to current law witness fees, and the Attorney General would be authorized to compromise and settle actions arising under these provisions.

Under current law, the state may be found liable for acts committed by state employees while carrying out their employment duties within the scope of employment. Current law also provides that any person bringing a civil lawsuit against a state employee on account of any act growing out of, or committed in, the course of employment must generally give the Attorney General notice of the claim within 120 days of the act giving rise to the litigation, and the liability of the state is limited to $250,000.

[Bill Sections: 2681, 3500, and 3504]

17. CRIME VICTIM AND WITNESS ASSISTANCE SURCHARGE

Governor: Modify current law which, effective July 1, 2011, provides that the first $20 of each $27 Part B crime victim and witness assistance surcharge must be allocated for grants for sexual assault victim services, to instead provide that Part B be reduced to $20 for each misdemeanor or felony offense or count, all of which would be allocated for grants for sexual assault victim services. Further, modify current law which, effective July 1, 2011, provides that the last $7 of each of each $27 Part B crime victim and witness assistance surcharge be allocated for county victim and witness assistance programs and crime victim compensation awards, to instead create a new $7 Part C crime victim and witness assistance surcharge for each misdemeanor or felony offense or count that would be utilized to fund county victim and witness assistance programs and crime victim compensation awards.

Specify that a person would be required to pay Part B of the crime victim and witness assistance surcharge in full before he or she would pay any amounts owed under Part C of the surcharge. Provide that all Part C revenue be deposited to the crime victim and witness assistance surcharge, general services appropriation to fund county victim and witness assistance programs and crime victim compensation awards.

[Bill Sections: 3547 thru 3552]

18. TECHNICAL CORRECTION -- POSITION REDUCTION

	Positions
FED	- 0.40

Governor: Delete a 0.40 full-time equivalent position annually from DOJ's federal aid; victim assistance appropriation to reconcile the budget system with the state's personnel management information system.

LEGISLATURE

Budget Summary						FTE Position Summary				
				2011-13 Change Over Base Year Doubled					2012-13 Over 2010-11	
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	Amount	%	2010-11	Governor 2011-12	Governor 2012-13	Number	%
GPR	$72,689,600	$73,342,500	$73,327,500	$1,290,800	0.9%	758.17	758.17	758.17	0.00	0.0%
PR	2,023,000	1,934,300	1,951,100	- 160,600	- 4.0	19.80	19.80	19.80	0.00	0.0
TOTAL	$74,712,600	$75,276,800	$75,278,600	$1,130,200	0.8%	777.97	777.97	777.97	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENT

GPR	$1,266,000
PR	- 160,600
Total	$1,105,400

Governor: Provide standard adjustments totaling $633,000 GPR and -$88,700 PR in 2011-12 and $633,000 GPR and -$71,900 PR in 2012-13. Adjustments are for: (a) full funding of continuing position salaries and fringe benefits ($1,368,700 GPR and -$50,200 PR annually); (b) turnover reduction (-$818,500 GPR annually); (c) removal of noncontinuing funding and positions from base (-$65,000 PR annually); (d) full funding of lease costs ($82,800 GPR and $7,200 PR annually); and (e) funding of position reclassifications ($19,300 PR in 2011-12 and $36,100 PR in 2012-13).

2. ACTUARIAL STUDIES

GPR	$15,000

Governor: Provide $15,000 in 2011-12 for the Joint Legislative Council contractual studies appropriation to conduct actuarial studies. The biennial contractual studies appropriation has no base funding in the 2011-13 biennium.

3. NATIONAL ASSOCIATION MEMBERSHIP DUES

GPR	$9,800

Governor: Provide $4,900 annually for legislative organization membership dues. Organizations include the National Conference of State Legislatures and the National Conference of Commissioners on Uniform State Laws. Base funding for membership dues is $244,600 annually.

4. LEGISLATIVE LAPSE REQUIREMENT

GPR-Lapse	$9,232,200

Governor: Require the Co-Chairpersons of the Joint Committee on Legislative Organization to take actions during the 2011−13 and 2013−15 fiscal biennia to ensure that from general purpose revenue appropriations to the Legislature an amount equal to $9,232,200 is lapsed from sum certain appropriation accounts or is subtracted from the expenditure estimates for any sum sufficient appropriations, or both, in each fiscal biennium. Lapse amounts are related to: (a) increased employee contributions to the Wisconsin Retirement System ($2,418,300 annually); (b) increased employee contributions to health insurance ($799,500 annually); and (c) a 10% reduction to supplies and other non-personnel costs ($1,398,300 annually).

[Bill Section: 9230(1)]

5. ANNUAL UNIVERSAL SERVICE FUND AUDIT REQUIREMENT

Governor: Require the Legislative Audit Bureau (LAB) to annually, by June 30, prepare a financial and performance evaluation of at least one program funded by the segregated universal service fund (USF). The USF supports 14 programs, eight of which are administered by the Public Service Commission. Specify that the LAB file a copy of each audit report with the Chief Clerk of each house of the Legislature, the Governor, the Department of Administration, the Legislative Reference Bureau, the Joint Committee on Finance, the Legislative Fiscal Bureau and the department audited.

[Bill Section: 69]

6. CHIPPEWA FALLS VETERANS HOME AUDIT

Governor: Authorize the Legislative Audit Bureau to perform, in addition to any other Veterans Home audits required by statute, one or more financial audits of the operation of the Veterans Home at Chippewa Falls by any private entity with which DVA enters into an agreement for management and operation of the home. Specify that the audits would be performed at such time as directed by the Governor or Legislature. [See Department of Veterans Affairs -- Veterans Homes, for additional information regarding the operation of the Veterans Home at Chippewa Falls.]

[Bill Section: 65]

LIEUTENANT GOVERNOR

Budget Summary						FTE Position Summary				
		Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	2010-11 Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$390,800	$393,500	$393,500	$5,400	0.7%	4.00	4.00	4.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$51,200

Governor: Provide $25,600 annually for full funding of salaries and fringe benefits.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $38,200

Governor: Delete $19,100 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

GPR	- $7,600

Governor: Reduce funding by $3,800 annually associated with a 10% reduction to supplies and other non-personnel costs.

LOWER WISCONSIN STATE RIVERWAY BOARD

	Budget Summary					FTE Position Summary				
				2011-13 Change Over Base Year Doubled					2012-13 Over 2010-11	
	2010-11	Governor					Governor			
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
SEG	$202,700	$202,600	$202,600	- $200	0.0%	2.00	2.00	2.00	0.00	0.0%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

SEG	$16,400

Governor: Provide $8,200 annually from the conservation fund (75% water resources and 25% forestry account) as follows: (a) $8,100 for full funding of continuing salaries and fringe benefits; and (b) $100 for full funding of lease costs and directed moves.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

SEG	- $16,600

Governor: Delete $8,300 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance costs reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

MEDICAL COLLEGE OF WISCONSIN

Budget Summary						FTE Position Summary
	2010-11	Governor		2011-13 Change Over Base Year Doubled		
Fund	Adjusted Base	2011-12	2012-13	Amount	%	
GPR	$6,736,200	$5,823,500	$7,691,400	$42,500	0.3%	The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, state-aided institution governed by a Board of Trustees.
PR	247,500	247,500	247,500	0	0.0	
TOTAL	$6,983,700	$6,071,000	$7,938,900	$42,500	0.3%	

Budget Change Items

1. ACROSS-THE-BOARD REDUCTIONS

GPR	- $1,018,400

Governor: Delete $509,200 annually as part of an across-the-board reduction of most GPR and PR appropriations. The across-the-board reductions are equal to 10% of the appropriation less any amounts used to fund salary and fringe benefit costs. GPR appropriations for debt service and PR appropriations for gift and grants were excluded from these across-the-board reductions. These reductions are shown by appropriation below. The appropriation for general program operations provides tuition assistance to students enrolled at the Medical College of Wisconsin.

Fund	Appropriation	Base	Annual Reduction
GPR	Family medicine education	$3,165,000	-$316,500
GPR	General program operations	1,926,600	-192,700

2. DEBT SERVICE REESTIMATE

GPR	$2,472,100

Governor: Increase funding by $1,086,700 in 2011-12 and $1,385,400 in 2012-13 to reflect the current law reestimate of GPR debt service costs on state general obligation bonds and commercial paper debt issued for the Medical College of Wisconsin.

3. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $1,411,200

Governor: Decrease funding by $1,490,200 in 2011-12 and increase funding by $79,000 in 2012-13 to reflect estimated changes in GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. [See "Building Commission" for additional information regarding this provision.]

MILITARY AFFAIRS

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$22,960,800	$19,542,000	$23,896,500	- $2,483,100	- 5.4%	88.82	80.63	80.63	- 8.19	- 9.2%
FED	51,378,000	52,446,600	52,446,600	2,137,200	2.1	295.75	296.39	296.39	0.64	0.2
PR	6,968,000	6,174,400	6,174,400	- 1,587,200	- 11.4	48.79	40.29	39.29	- 9.50	- 19.5
SEG	469,700	1,469,700	469,700	1,000,000	106.5	0.00	0.00	0.00	0.00	0.0
TOTAL	$81,776,500	$79,632,700	$82,987,200	- $933,100	- 0.6%	433.36	417.31	416.31	- 17.05	- 3.9%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$1,108,800
FED	3,610,000
PR	431,000
Total	$5,149,800

Governor: Provide standard budget adjustments to the base totaling $554,400 GPR, $1,805,000 FED, and $215,500 PR annually and -0.25 PR positions in 2011-12 and -1.25 PR positions in 2012-13 for the following: (a) turnover reduction (-$105,600 GPR and -$285,600 FED annually); (b) removal of non-continuing elements from the base (-0.25 PR positions in 2011-12 and -1.25 PR positions in 2012-13); (c) full funding of continuing salaries and fringe benefits ($622,100 GPR, $1,618,500 FED, and $170,800 PR annually); (d) overtime ($37,900 GPR, $400,900 FED, and $41,700 PR annually); and (e) night and weekend differential ($71,200 FED, and $3,000 PR annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $680,800
FED	- 2,095,600
PR	- 317,800
Total	- $3,094,200

Governor: Delete $1,547,100 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $340,400 GPR, $1,047,800 FED, and $158,900 PR. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

GPR	- $674,800
PR	- 696,200
Total	- $1,371,000

Governor: Reduce funding by $337,400 GPR and $348,100 PR annually associated with a 10% reduction to supplies and other non-personnel costs. This would include a reduction of $138,600 GPR annually in funding to regional emergency response teams.

4. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $812,200	- 8.19
FED	- 565,800	- 6.11
PR	- 125,600	- 1.50
Total	- $1,503,600	- 15.80

Governor: Delete $751,800 (all funds) and 15.80 (all funds) positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $406,100 GPR and 8.19 GPR positions, $282,900 FED and 6.11 FED positions, and $62,800 PR and 1.50 PR positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

5. DEBT SERVICE REESTIMATE

GPR	$3,831,800

Governor: Increase funding by $2,140,600 in 2011-12 and $1,691,200 in 2012-13 to reflect the current law reestimate of GPR debt service costs on state general obligation bonds and commercial paper debt issued for National Guard facilities operated by the Department.

6. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $4,239,200

Governor: Decrease funding by $4,433,100 in 2011-12 and increase funding by $193,900 in 2012-13 to the reflect the changes estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (see "Building Commission" for additional information regarding this provision).

7. FUEL AND UTILITIES

GPR	- $1,016,700

Governor: Delete $596,800 in 2011-12 and $419,900 in 2012-13 for decreased fuel and utility cost estimates at agency facilities. Base level funding for the agency energy costs is $3,293,200.

8. YOUTH CHALLENGE FUNDING

	Funding	Positions
FED	$1,188,600	6.75
PR	- 1,188,600	- 6.75
Total	$0	0.00

Governor: Modify funding for the Youth Challenge Academy by $594,300 FED and 6.75 FED positions and -$594,300 PR and -6.75 PR positions annually related to converting funding for a portion of the program from assessments to the Department of Public Instruction (DPI) to federally-supported grants received by DMA.

Under current law, DPI must reduce the state aids payments for school districts that have students attending the Academy. These funds are provided to DMA as program revenue. The Department of Military Affairs also receives federal funds to support the Academy. In July, 2010, the Department of Defense was authorized to assume 75% of the Challenge program costs. Under the bill, federal funds would support $3,080,600 annually of Youth Challenge program costs and state program revenue from DPI would fund $1,026,800 annually.

9. STATE DISASTER ASSISTANCE PROGRAM

SEG	$1,000,000

Governor: Provide $1,000,000 in 2011-12 to the state disaster assistance SEG continuing appropriation to provide additional funding for the state disaster assistance program. Funding would be provided from the petroleum inspection fund. Any funds not expended in 2011-12, would be available to the program in subsequent years.

The state disaster assistance program makes payments to local units of government and to federally recognized American Indian tribes or bands for the damages and costs incurred as the result of a disaster if federal disaster assistance is not available. Eligible costs of local units of government under the state program include: (a) debris removal, to include woody debris, building wreckage, dirt, gravel, vehicles, and other disaster-related materials; (b) emergency protective measures to eliminate or reduce immediate threats to life, public health, or safety or a hazard that threatens significant damage to improved public or private property; and (c) damages to roads and bridges. To be eligible for a payment under the program, the local unit of government or tribe or band must pay 30% of the amount of the damages and costs resulting from the disaster.

10. RADIOLOGICAL EMERGENCY PREPAREDNESS FUNDING

PR	$200,000

Governor: Provide $100,000 annually for the radiological emergency preparedness program, including $53,000 annually to the Department of Health Services (DHS) and $47,000 annually to Military Affairs. Expenditure authority would be utilized by DHS for: (a) in-state travel and fleet costs; (b) increased rent costs; and (c) salary and fringe benefit costs. The Department of Military Affairs would utilize the increased expenditure authority as follows: (a) $35,100 annually in additional salary funding; (b) $17,800 annually in additional fringe benefits funding; and (c) -$5,900 annually in supplies and services funding.

The program is designed to plan for, and respond to, both natural and man-made threats to two nuclear power plants in Wisconsin (Kewaunee and Point Beach) and one in Minnesota (Prairie Island). Revenue for the program is negotiated annually between the State and the power companies which own the nuclear power plants. Based on these negotiations, the power companies provide the program revenue for the program. State agency staff for the program is divided between DMA and the DHS.

11. HAZARDOUS CHEMICALS EMERGENCY PLANNING AND REPORTING SOFTWARE

PR	$110,000

Governor: Provide $55,000 annually for estimated maintenance costs associated with the online hazardous chemicals emergency planning and reporting software. Expenditure authority would be utilized to pay a private vendor's annual charge to maintain the software. Program revenue is derived from fees paid by facilities that are subject to federal regulations for hazardous chemicals under the federal Emergency Planning and Community Right-to-Know Act, and for planning to respond to the potential release of extremely hazardous substances from a facility at which a hazardous chemical is produced, used, or stored.

The software permits facilities subject to regulations associated with hazardous chemicals to file required reports electronically with Wisconsin Emergency Management (WEM) regarding: (a) facility information; (b) owner information; (c) 24-hour emergency contact information; and (d) information on stored and utilized chemicals including Chemical Abstracts Service (CAS) number, chemical name, chemical properties and health hazards, quantity, and site location. The system also permits facilities to update this information online. The system will also store emergency response plans associated with these facilities. In an emergency, information in this system would be accessible to first responders. Finally, the system permits WEM to track fee amounts owed by these facilities and to produce invoices. [A CAS number is a unique numerical identifier assigned by the Chemical Abstracts Service to every chemical described in the open scientific literature.]

12. NATIONAL GUARD TUITION GRANT APPLICATION EXTENSION

Governor: Extend the current National Guard Tuition Grant application deadline by 30 days. Under current law, National Guard members who are eligible for a reimbursement of tuition have 60 days after completing a course in which to apply. The Governor's recommendation would extend that deadline to 90 days.

[Bill Section: 3084]

MISCELLANEOUS APPROPRIATIONS

Budget Summary						FTE Position Summary
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	
GPR	$129,912,900	$124,200,700	$100,894,300	- $34,730,800	-13.4%	There are no authorized positions for Miscellaneous Appropriations.
SEG	28,779,400	28,305,600	28,581,400	- 671,800	- 1.2	
TOTAL	$158,692,300	$152,506,300	$129,475,700	- $35,402,600	-11.2%	

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	- $1,666,700

Governor: Request standard budget adjustments of -$1,666,700 in 2012-13 for removal of noncontinuing elements from the base, relating to one-time grants for engineering purposes that sunset on June 30, 2012.

2. NONPOINT ACCOUNT TRANSFER REDUCTION

GPR	- $2,572,800

Governor: Reduce by $1,286,400 annually the sum-certain GPR transfer to the nonpoint account of the segregated environmental fund. Under the bill, the transfer would be reduced by 10% from a base of $12,863,700 in 2010-11 to $11,577,300 each year.

3. REESTIMATE OF CANCELLED DRAFT PAYMENTS

GPR	- $1,700,000

Governor: Delete $850,000 annually associated with reestimated cancelled draft payments. Under current law, any check, share draft, or other draft that is issued by the state may be cancelled if not cashed in the period stated on the check or draft. The funds are then re-credited to the fund in which the funds would have been paid. The party to whom the original check or draft was written may request a reissuance of the cancelled check or draft within six years of the original issuance. The cancelled draft payments appropriation is a sum sufficient. The appropriated amounts represent an estimate of the GPR-funded checks and drafts that will be reissued each year. Base funding for the appropriation is $2,025,000 GPR annually.

4. MARQUETTE DENTAL SCHOOL DEBT SERVICE REESTIMATE

GPR	$812,900

Governor: Increase funding by $34,000 in 2011-12 and $778,900 in 2012-13 to reflect the current law reestimate of debt service costs on state general obligation bonds and commercial paper debt issued to fund a portion of the dental and educational facility for the Marquette Dental School.

5. DEBT RESTRUCTURING -- MARQUETTE DENTAL SCHOOL DEBT SERVICE

GPR	- $341,700

Governor: Decrease funding by $357,800 in 2011-12 and increase funding by $16,100 in 2012-13 to the reflect the changes estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12 (see "Building Commission" for additional information regarding this provision).

6. AIRLINE HUB EXEMPTION TRANSFER REESTIMATE

GPR	$761,000

Governor: Increase funding by $380,500 annually to reflect a reestimate of the amount of a transfer from the general fund to the transportation fund under a provision related to the state's ad valorem tax exemption for airlines that operate a hub facility in Wisconsin. With this increase, the total amount of the transfer would be $2,333,800 annually. Under the hub facility exemption provision, an annual transfer is made in an amount equal to the ad valorem tax paid by each airline that qualifies for the exemption in the final year before it qualified for the exemption. During the past several years, the only airline that qualified for the exemption was Midwest Airlines. However, that airline was acquired by Republic Airlines in 2009, merging its operations with other holdings, including Frontier Airlines. The effect of this acquisition was to bring other airlines, that had not qualified for the exemption alone, into one operation that, jointly, qualifies for the exemption. The increase reflected in this item is the ad valorem tax previously paid by those other airlines.

7. OIL PIPELINE TERMINAL DISTRIBUTION

GPR	$116,600

Governor: Increase estimated expenditures by $53,800 in 2011-12 and $62,800 in 2012-13 to reflect oil pipeline terminal tax payments of $857,000 in 2011-12 and $866,000 in 2012-13. The oil pipeline terminal tax distribution provides payments to municipalities where oil pipeline terminal facilities are located. The payment equals a proportionate share of the pipeline company's state tax payment based on the terminal facility's historical cost as a percentage of the gross book value of the pipeline company in Wisconsin.

8. RAIL PROPERTY TERMINAL TAX REESTIMATE

SEG	- $197,000

Governor: Reduce funding by $100,000 in 2011-12 and $97,000 in 2012-13 to reflect a reestimate of payments made to local governments under the railroad terminal tax distribution program. Specify that, beginning for 2011 payments (made in August, 2011), the amount distributed to any town, village, or city under the program may not be less than the amount distributed to it in 2010. Railroad terminal tax payments, which are made from a sum sufficient appropriation from the transportation fund, are equal to the amount of ad valorem taxes paid to the state by railroad companies for repair facilities, docks, ore yards, piers, wharves, grain elevators, and their approaches, or car ferries, that are apportionable to the town, village, or city in which those facilities are located. With this reestimate, total payments would be $1,773,000 in 2011-12 and $1,776,000 in 2012-13. While these amounts are less than the appropriation base of $1,873,000 (the estimated distribution included in the 2009-11 budget), they represent an increase above the actual distribution for 2010, which was $1,687,500.

[Bill Section: 2152]

9. TRANSFERS TO THE CONSERVATION FUND

GPR	$31,200
SEG	- 474,800
Total	- $443,600

Governor: Reestimate the revenue to the segregated snowmobile, all-terrain vehicle (ATV), and water resources accounts of the conservation fund from the recreational vehicle fuel tax transfer based on the current fuel tax rate and the estimated number of registered snowmobiles, ATVs, and motorboats, as follows:

		2011-12		2012-13	
	Base	Change	Total	Change	Total
Snowmobile Transfer	$4,845,100	$144,400	$4,989,500	$244,200	$5,089,300
ATV Transfer	1,792,200	-46,700	1,745,500	-83,800	1,708,400
Water Resources Transfer	13,410,600	-471,500	12,939,100	-261,400	13,149,200
Total	$20,047,900	-$373,800	$19,674,100	-$101,000	$19,946,900

Also, reestimate the reimbursement to the conservation fund for debt service on certain land acquisitions by $15,600 GPR annually (to $16,600).

10. PUBLIC FINANCING OF CAMPAIGNS FOR SUPREME COURT JUSTICE -- DEMOCRACY TRUST FUND

GPR	- $1,580,700

Governor: Delete, effective January 1, 2012, the GPR sum sufficient democracy trust fund transfer appropriation which provides additional funding to the Democracy Trust Fund (DTF) equal to the difference between the unencumbered balance in the DTF and the amounts required to provide full public financing benefits to Supreme Court Justice candidates participating in the DTF. Eliminate $1,499,500 in 2012-13, in budgeted expenditure authority provided to this appropriation.

Provide that, for taxable years beginning after December 31, 2011, an individual's tax liability would be increased by $3 or the individual's tax refund would be decreased by $3 for any designation made to the Wisconsin Election Campaign Fund (WECF) and the DTF on the individual income tax form. Reestimate check-off revenue to the DTF by -$34,600 in 2011-12, and by -$46,600 in 2012-13. Total estimated expenditure authority for the DTF sum sufficient appropriation would be $328,000 in 2011-12 and $316,000 in 2012-13. Under current law, this designation does not increase an individual's tax liability or decrease an individual's tax refund. Since the check-off does not affect taxpayer liability under current law, the amount generated from the check-off is transferred to the WECF and the DTF from sum sufficient GPR appropriations. Under current law, for every $3 designation made, $1 is transferred to the WECF and the remaining $2 is transferred to the DTF.

The DTF provides public financing grants for eligible candidates for Supreme Court Justice. The WECF provides public financing grants for eligible candidates for Governor, Lieutenant Governor, Attorney General, State Treasurer, Secretary of State, Superintendent of Public Instruction, State Senate, and State Assembly.

Funding from the Campaign Finance Check-Off

Current Law. Beginning with 2010 tax returns, every individual filing an income tax return who has a tax liability or is entitled to a tax refund may now designate $3 for the WECF and the DTF. One-third of the total amount designated by taxfilers through the campaign finance check-off is credited to the WECF, and the remaining two-thirds are credited to the DTF. If individuals filing a joint return have a tax liability or are entitled to a tax refund, each individual may make a $3 designation. Since the check-off does not affect taxpayer liability, the amount generated from the check-off is transferred to the WECF and the DTF from sum sufficient GPR appropriations.

The Secretary of the Department of Revenue (DOR) must provide a place for campaign finance check-off designations on the face of the individual income tax return and must provide next to that place a statement that a designation will not increase tax liability. Annually on August 15, the Secretary of DOR must certify to the Government Accountability Board (GAB), the Department of Administration (DOA) and the State Treasurer the total amount of any campaign finance designations made during the preceding fiscal year. If any individual attempts to place any condition or restriction upon a designation, that individual is deemed not to have made a designation on his or her tax return. The names of persons making campaign finance designations must be kept strictly confidential.

Bill. Current law provisions regarding the campaign finance check-off would not apply to a taxable year that would begin after December 31, 2011. Instead, for taxable years beginning after December 31, 2011, an individual's income tax liability would be increased by $3 or the individual's tax refund would be decreased by $3 for any designation made to the WECF and the DTF on the individual income tax form. As the check-off would now increase a taxpayer's liability or decrease a taxpayer's refund, the bill would delete the GPR sum sufficient appropriations that currently provide the funding associated with campaign finance check-offs. Any campaign finance check-off made by an individual that would not be funded, in whole or in part, by an individual's increased payment of taxes or by an available refund would be voided. The names of individuals making campaign finance check-offs would be kept strictly confidential.

Campaign finance check-off amounts would generally not be subject to refund unless the taxpayer submitted information to the satisfaction of DOR, within 18 months after the date taxes were due or the date the return was filed, whichever was later, that the amount designated was clearly in error. Any refund granted by DOR would have to be deducted from the moneys received in the fiscal year that the refund was certified.

If an individual placed any conditions on a campaign finance check-off, the designation would be voided. For any voided designation, DOR would disregard the designation and determine the amounts due, owed, refunded, and received without regard to the voided designation.

The Secretary of DOR would be required to provide a place for the designation on the individual income tax return and on forms printed by the Department. This place would be required to be highlighted with a symbol chosen by GAB that related to the WECF and the DTF.

Annually, on or before August 15, the Secretary of DOR would be required to certify to GAB, DOA, and the State Treasurer all of the following: (a) the total administrative costs, including data processing costs, incurred by DOR in administering these provisions during the previous fiscal year; (b) the total amount of campaign finance check-offs made by taxpayers for the WECF and the DTF during the previous fiscal year; and (c) the net amount of check-off revenue remaining after deducting DOR administrative costs. An amount equal to the administrative costs incurred by DOR during the previous fiscal year would be deposited to the general fund and credited to the DOR administration of income tax checkoff voluntary payments appropriation. Of the remaining amounts generated by the campaign finance check-off, one-third would be deposited to the WECF and two-thirds would be deposited to the DTF.

As indicated above, estimated checkoff revenue to the DTF would be reduced by $34,600 in 2011-12, and by $46,600 in 2012-13. As a result, under the bill it is estimated that checkoff revenue to the DTF would total $328,000 in 2011-12, and $316,000 in 2012-13.

Backup Sum Sufficient GPR Funding

Current Law. The GPR sum sufficient democracy trust fund transfer appropriation provides additional funding to the DTF equal to the difference between the unencumbered balance in the DTF and the amounts required to provide full public financing benefits to Supreme Court Justice candidates participating in the DTF.

Bill. Delete the GPR sum sufficient democracy trust fund transfer appropriation which ensures that there is sufficient funding to fully fund all grants under the DTF.

Effective Dates

As a campaign finance check-off does not increase the tax liability or decrease the tax refund of a taxpayer under current law, GPR sum sufficient appropriations provide the funding to the WECF and DTF associated with these campaign finance check-offs. Under the bill, the campaign finance check-off would now increase the tax liability or decrease the tax refund of the taxpayer. Effective January 1, 2013, the current law GPR sum sufficient appropriations would be repealed.

The remaining provisions related to the campaign finance check-off and the GPR sum sufficient democracy trust fund transfer appropriation would take effect on January 1, 2012.

[See Government Accountability Board and State Treasurer--Public Financing of Campaigns for Supreme Court Justice--Democracy Trust Fund for additional information.]

[Bill Sections: 752, 773 thru 775, 1885 thru 1887, and 9418(1)&(2)]

11. PUBLIC FINANCING OF CAMPAIGNS FOR STATEWIDE AND LEGISLATIVE OFFICES -- WISCONSIN ELECTION CAMPAIGN FUND

GPR	- $40,600

Governor: Provide that, for taxable years beginning after December 31, 2011, an individual's tax liability would be increased by $3 or the individual's tax refund would be decreased by $3 for any designation made to the Wisconsin Election Campaign Fund (WECF) and the Democracy Trust Fund (DTF) on the individual income tax form. Permit the Department of Revenue (DOR) to deduct administrative costs, including data processing costs, in administering the revised campaign finance check-off and deposit this administrative deduction to its administration of income tax checkoff voluntary payments appropriation. Effective January 1, 2013, repeal the GPR sum sufficient election campaign fund payments appropriation which provides one-third of the funding generated from the campaign finance check-off to the WECF. Reestimate check-off revenue to the WECF by -$17,300 in 2011-12, and by -$23,300 in 2012-13. As a result, under the bill it is estimated that check-off revenue to the WECF would total $164,000 in 2011-12, and $158,000 in 2012-13.

Under current law, this designation does not increase an individual's tax liability or decrease an individual's tax refund. Since the check-off does not affect taxpayer liability under current law, the amount generated from the check-off is transferred to the WECF and the DTF from sum sufficient GPR appropriations. Under current law, for every $3 designation made, $1 is transferred to the WECF and the remaining $2 is transferred to the DTF. Current law does not permit DOR to deduct administrative expenses from revenue generated by the campaign finance check-off.

The WECF provides public financing grants for eligible candidates for Governor, Lieutenant Governor, Attorney General, State Treasurer, Secretary of State, Superintendent of Public Instruction, State Senate, and State Assembly. The DTF provides public financing grants for eligible candidates for Supreme Court Justice.

[Bill Sections: 752, 773, 882, 883, 1885 thru 1887, and 9418(2)]

12. OTHER MISCELLANEOUS APPROPRIATION CHANGES

Governor: The description and fiscal effect of miscellaneous appropriations changes related to Minnesota-Wisconsin and Illinois-Wisconsin reciprocity are summarized as entries under "General Fund Taxes".

NATURAL RESOURCES

	Budget Summary					FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$119,601,700	$63,494,300	$129,673,300	- $46,035,800	- 19.2%	300.69	268.10	291.10	- 9.59	- 3.2%
FED	76,899,500	79,508,200	79,355,400	5,064,600	3.3	489.42	477.69	474.69	- 14.73	- 3.0
PR	36,811,100	36,659,600	36,591,600	- 371,000	- 0.5	267.14	257.14	257.14	- 10.00	- 3.7
SEG	331,404,800	296,005,500	295,368,700	- 71,435,400	- 10.8	1,651.97	1,637.01	1,614.01	- 37.96	- 2.3
TOTAL	$564,717,100	$475,667,600	$540,989,000	- $112,777,600	- 10.0%	2,709.22	2,639.94	2,636.94	- 72.28	- 2.7%
BR		$25,000,000								

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$6,060,600	0.00
FED	7,080,200	- 4.00
PR	5,785,600	- 3.00
SEG	11,713,600	- 2.00
Total	$30,640,000	- 9.00

Governor: Provide an increase of $15,454,300 in 2011-12 and $15,185,700 in 2012-13 with the deletion of nine project positions for adjustments to the base budget as follows: (a) -$3,063,200 annually for turnover reduction (-$337,300 GPR, -$471,700 FED, -$114,100 PR, and -$2,140,100 SEG); (b) -$924,900 in 2011-12 (-$125,300 FED, -$262,400 PR, and -$537,200 SEG) with a reduction of 6.0 positions, and -$1,193,500 in 2012-13 (-$278,500 FED, -$330,400 PR and -$584,600 SEG) with a reduction of 9.0 positions for removal of non-continuing elements from the base; (c) $16,349,900 annually ($3,406,100 GPR, $4,259,600 FED, $3,295,000 PR, and $5,389,200 SEG) for full funding of continuing salaries and fringe benefits; (d) $3,324,300 annually ($8,300 PR and $3,316,000 SEG) for overtime; and (e) -$231,800 annually (-$38,500 GPR, -$45,900 FED, and -$147,400 SEG) for full funding of leases and directed moves.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $2,814,600
FED	- 4,359,800
PR	- 2,631,200
SEG	- 14,640,600
Total	- $24,446,200

Governor: Delete $12,223,300 in 2011-12 ($1,364,400 GPR, $2,180,100 FED, $1,315,600 PR, and $7,363,200 SEG) and $12,222,900 in 2012-13 ($1,450,200 GPR, $2,179,700 FED, $1,315,600 PR, and $7,277,400 SEG) to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Convert 3.0 SEG classified positions (2.0 Administration and Technology operations positions and 1.0 Division of Land operations positions) to the unclassified service.

Under 2011 Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. The act also redefines "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) would be moved from classified to unclassified service within specified agencies. The revised unclassified positions would be renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions would be at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of Act 10 in regards to the transfer of classified positions to unclassified positions as recommended by the Governor.

4. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $1,243,200	- 9.59
FED	- 1,250,400	- 10.73
PR	- 1,605,200	- 11.00
SEG	- 3,849,600	- 34.96
Total	- $7,948,400	- 66.28

Governor: Delete $3,974,200 annually and 66.28 positions to reflect the elimination of long-term vacant positions under the bill. The annual reductions would include -$621,600 GPR and -9.59 GPR positions, -$625,200 FED and -10.73 FED positions, -$802,600 PR and -11.00 PR positions, and -$1,924,800 SEG and -34.96 SEG positions. Funding and position reductions are associated with positions that have been vacant for 12 months or more. Position reductions by appropriation are shown below.

Fund	Appropriation	Annual	Positions
	Land Division		
GPR	Parks- general operations	-$234,300	-3.99
PR	Division operations - service funds	-33,600	-0.50
SEG	Endangered resources - voluntary payments, sales, leases, and fees	-144,400	-2.00
SEG	Division operations - conservation fund	-590,200	-11.21
	Forestry Division		
SEG	Forestry operations - conservation fund	-165,400	-3.00
	Air and Waste Division		
FED	Division operations - federal	-109,700	-1.50
PR	Air management - stationary sources	-85,000	-1.00
PR	Solid waste management - solid and hazardous waste disposal, administration	-263,000	-3.50
PR	Mining - mining regulation and administration	-36,100	-0.50
SEG	Solid waste management - environmental repair, petroleum spills, administration	-80,600	-1.25
SEG	Recycling - administration	-33,600	-0.50
SEG	Division operations - environmental fund	-80,600	-1.25
	Enforcement and Science Division		
FED	Division operations - federal	-39,100	-1.00
SEG	Division operations - conservation fund	-99,500	-1.50
SEG	Lake river and invasive species management	-67,200	-1.00
	Water Division		
GPR	Division operations - state funds	-387,300	-5.60
FED	Watershed management operations - federal	-233,200	-4.00
FED	Fisheries management and habitat protection - federal	-243,200	-4.23
PR	Water regulation and zoning - fees	-67,200	-1.00
SEG	Great Lakes trout and salmon	-49,400	-1.00
SEG	Trout habitat improvement	-61,800	-1.25
SEG	Division operations - environmental fund	-67,200	-1.00
SEG	Division operations - conservation fund	-419,000	-9.00
	Administration and Technology		
PR	Geographic information systems operations - service funds	-317,700	-4.50
SEG	Division operations - conservation fund	-65,900	-1.00
		-$3,974,200	-66.28

5. BUDGET REDUCTIONS

GPR	- $1,901,600
PR	- 2,195,800
Total	- $4,097,400

Governor: Delete $2,021,300 (including $923,400 GPR and $1,097,900 PR) in 2011-12 and $2,076,100 (including $978,200 GPR and $1,097,900 PR) in 2012-13 associated with a reduction of 10% to supplies and other non-personnel costs (excluding salary and fringe benefits) in most GPR and PR appropriations. The reductions, by appropriation, are shown below.

Fund	Appropriation	Base	2011-12	2012-13
	Land Division			
GPR	Parks operations	$5,048,900	-$71,300	-$126,100
GPR	Endangered resources natural heritage inventory program	241,400	-1,100	-1,100
GPR	Division operations	11,600	-600	-600
PR	Elk management	196,400	-6,900	-6,900
PR	Reintroduction of whooping cranes	119,600	-1,900	-1,900
PR	Division operations - private and public sources	659,000	-51,500	-51,500
PR	Division operations - service funds	785,600	-35,500	-35,500
	Air and Waste Division			
GPR	Air management - motor vehicle emission inspection and maintenance	61,900	-100	-100
GPR	Division operations - state funds	1,693,600	-18,100	-18,100
PR	Air management - state-regulated stationary sources	2,192,200	-17,300	-17,300
PR	Air management - asbestos management	575,800	-23,700	-23,700
PR	Air management - recovery of ozone-depleting refrigerants	301,600	-1,300	-1,300
PR	Air management - construction permit review and enforcement	1,985,100	-28,100	-28,100
PR	Solid and hazardous waste operations	2,695,600	-34,900	-34,900
PR	Remediated property (brownfields) fees	1,573,800	-4,600	-4,600
PR	Mining regulation and administration	123,300	-8,500	-8,500
PR	Division funds from other agencies	93,900	-9,400	-9,400
	Enforcement and Science Division			
GPR	Division operations	3,159,900	-15,000	-15,000
GPR	Law Enforcement - car killed deer - general fund	509,500	-51,000	-51,000
PR	Snowmobile enforcement and safety training service funds	1,184,800	-40,700	-40,700
PR	Enforcement - stationary sources	106,400	-1,900	-1,900
PR	Operator certification fees	83,100	-200	-200
PR	Environmental impact - power projects	27,800	-1,400	-1,400
PR	Laboratory certification	730,700	-14,200	-14,200
PR	Division operations - private and public sources	376,000	-28,800	-28,800
PR	Division operations - funds from other entities	1,616,900	-18,200	-18,200
	Water Division			
GPR	Division operations - state funds	15,092,900	-86,600	-86,600
GPR	Water resources - remedial action	13,380	-13,400	-13,400
PR	Water resources - water use fees	924,400	-44,500	-44,500
PR	Water resources - ballast water discharge permits	246,400	-700	-700
PR	Water regulation and zoning - fees	948,000	-15,300	-15,300
PR	Storm water management - fees	1,708,700	-20,300	-20,300
PR	Wastewater management - fees	138,800	-3,200	-3,200
PR	Groundwater quality administration	464,100	-5,600	-5,600
PR	Groundwater quantity research	93,900	-9,400	-9,400
PR	Fishery resources for ceded territories	156,000	-1,100	-1,100
PR	Division operations - private and public sources	220,300	-5,100	-5,100
PR	Division operations - service funds	488,600	-9,500	-9,500
	Conservation Aids			
GPR	Wild rivers interpretive center	25,300	-2,500	-2,500

Fund	Appropriation	Base	2011-12	2012-13
	Environmental Aids			
GPR	Nonpoint source grants	$787,900	-$78,800	-$78,800
GPR	Local water quality planning grants	252,700	-25,300	-25,300
PR	Groundwater mitigation and local assistance	480,700	-48,100	-48,100
	Debt Service and Development			
GPR	Resource maintenance and development	839,600	-84,000	-84,000
GPR	Facilities acquisition development and maintenance	160,400	-16,000	-16,000
GPR	State park, forest, and riverway roads	2,953,500	-295,400	-295,400
	Administration and Technology			
GPR	Division operations - state funds	2,692,000	-151,300	-151,300
PR	Division operations - service funds	4,814,900	-424,200	-424,200
PR	Geographic information systems operations - other funds	36,300	-3,600	-3,600
PR	Geographic information systems operations - service funds	1,658,400	-14,700	-14,700
	Customer Service and Employee Assistance			
GPR	Division operations - state funds	1,459,600	-12,900	-12,900
PR	Education programs - program fees	69,800	-400	-400
PR	Approval fees to Lac du Flambeau band - service funds	93,900	-9,400	-9,400
PR	Division operations - stationary sources	452,500	-1,000	-1,000
PR	Division operations - private and public sources	37,500	-3,800	-3,800
PR	Division operations - service funds	1,633,500	-149,000	-149,000
	Total	$71,705,980	-$2,021,300	-$2,076,100

6. TRANSFERS WITHIN APPROPRIATIONS

Governor: Authorize the following transfers between subprograms within the same appropriation:

	Amount	FTE	Fund	Transfer From	Transfer To
Campground Reservation Fees Split					
Parks and forests - campground reservation fees	$67,500	0.00	SEG	Parks	Forestry
Parks and forests - campground reservation fees	223,900	0.00	SEG	Parks	Southern Forests
Administration and Technology					
Operations - conservation fund	25,500	0.30	SEG	Technical Services	Human Resources
Indirect cost reimbursements	59,500	0.70	FED	Technical Services	Human Resources
Operations - general fund	114,300	1.00	GPR	Human Resources	Finance
Customer Assistance and Employee Services					
Operations - environmental fund	45,300	0.50	SEG	Communication and Education	Customer Service and Licensing
Natural Resources Magazine	997,500	3.50	SEG	Communication and Education	Customer Service and Licensing
Indirect cost reimbursements	78,400	1.00	FED	Communication and Education	Customer Service and Licensing

Campground Reservation Fees Split. Split expenditure authority within the campground reservation fee appropriation between the parks, forests, and southern forests subprograms to reflect reservation fees collected for campground reservations at campgrounds within state forests and southern state forests. Under s. 27.01 of the statutes, DNR collects a camping reservation fee and then pays $9 of every $10 collected to a private vendor, who maintains the reservation system. Reservation fee revenues are deposited in this appropriation for payment to the vendor. The bill would transfer $67,500 to the forestry subprogram (forestry account) and $223,900 to the southern forests subprogram (forestry account) leaving $958,600 remaining in the parks account subprogram.

Administration and Technology. Transfer $85,000 SEG and 1.0 environmental health specialist position from technical services to human resources. This transfer includes $25,500 and 0.30 FTE within an appropriation split-funded from the conservation fund related to administration and technology operations, and $59,500 and 0.70 FTE within a federal indirect appropriation. In addition, transfer $114,300 GPR and 1.0 Integrated Science systems development services specialist position from Human Resources to Finance within a GPR general program operations appropriation related to administration and technology.

Customer and Employee Services. Make the following transfers from Communication and Education to Customer Service and Licensing to reflect the transfer of educational-related positions from the Communication and Education subprogram to other subprograms. Transfer $45,300 SEG and 0.50 integrated services business automation position within an environmental fund general program operations appropriation. Transfer $997,500 SEG and 3.5 positions within a natural resources magazine conservation fund SEG appropriation including: $38,100 and 0.50 natural resources financial assistance specialist; $96,600 and 1.0 natural resources program specialist; $90,100 and 1.0 communications specialist-advanced position; $108,300 and 1.0 natural resources magazine editor position; and $641,100 in supply line funding and $23,300 for LTEs. In addition, transfer $78,400 FED and 1.0 communications specialist-advanced position within a federal indirect cost reimbursement appropriation.

7. TRANSFERS BETWEEN APPROPRIATIONS

Governor: Transfer annual funds and positions between appropriations within DNR as follows:

	Amount	FTE	Fund	Transfer From	Transfer To
Bureau of Commuuicatiou and Education Transfers					
Information Systems (IS) Development Services	$41,400	0.50	FED	Communication	Technical Services
IS Development Services, Senior	41,400	0.50	SEG	and Education	
IS Comprehensive Services Specialist	97,400	1.00	FED	Communication and Education	Technical Services
IS Business Automation Specialist	95,000	1.00	SEG	Communication and Education	Technical Services
Natural Resources Educator, Advanced	241,200	0.50	PR	Communication and Education	Air Management
Natural Resources Educator, Advanced	126,900	0.50	SEG	Communication and Education	Air Management
Program and Policy Analyst	76,300	1.00	SEG	Communication and Education	Waste and Materials Management
Natural Resources Educator, Advanced	205,100	1.00	SEG	Communication and Education	Waste and Materials Management
Natural Resources Program Manager	75,200	0.55	SEG	Human Resources	Communication and Education
Technical Services Transfers					
Training Officer - Web Business Products Manager	84,800	1.00	SEG	Technical Services	Customer Service and Licensing
Natural Resources Financial Assistance Specialist	65,500	1.00	SEG	Technical Services	Community Financial Assistance

Communication and Education Transfers. Make the following transfers from the communication and education subprogram to reflect the transfer of educational-related services from this subprogram to other subprograms.

Transfer web technology positions from communication and education to technical services including: (a) transfer $82,800 and 1.0 information systems development services position ($41,400 FED and 0.50 FTE and $41,400 conservation fund SEG and 0.50 FTE) (b) $97,400 FED and 1.0 information systems comprehensive services position; and (c) $95,000 conservation fund SEG and 1.0 information systems business automation specialist position.

The bill would also transfer $94,800 and 1.0 natural resources educator position ($47,400 PR and 0.50 FTE and $47,400 SEG and 0.50 FTE) and $273,300 ($193,800 PR and $79,500 SEG) in supply line funding from communication and education to air management. In addition, transfer $76,300 environmental fund (formerly recycling fund) SEG and 1.0 program and policy analyst and $205,100 environmental fund (formerly recycling fund) SEG and 1.0 natural resources educator position from communication and education to waste management for recycling administration.

Further, transfer $75,200 conservation fund SEG and 0.55 natural resources program manager position from human resources to communication and education.

Technical Services Transfers. Transfer $84,800 conservation fund SEG and 1.0 training officer position from technical services to customer service and licensing for a web business products manager position. Also, transfer $65,500 and 1.0 natural resources financial assistance specialist position between conservation fund SEG appropriations from technical services to community financial assistance.

8. CONTINUING APPROPRIATION REESTIMATES

FED	$3,594,600
PR	133,800
SEG	1,812,000
Total	$5,540,400

Governor: Provide $2,770,200 annually ($1,797,300 FED, $66,900 PR and $906,000 SEG) in the following continuing appropriations to reflect estimated expenditures.

Fund	Appropriation	Base	Annual Change
	Land Division		
FED	Land division operations	$11,764,300	$435,500
SEG	Parks and forests - campground reservation fees	1,150,000	100,000
SEG	Pheasant restoration	203,800	35,400
SEG	Wild turkey restoration	760,000	19,000
SEG	Wetlands habitat improvement	341,400	16,800
SEG	Pheasant stocking and propagation	264,100	107,000
SEG	Rental property and equipment - maintenance and replacement	458,300	61,100
	Air and Waste Division		
FED	Division operations - federal	8,512,300	-200,000
	Water Division		
FED	Drinking water and groundwater operations	15,706,800	-150,000
FED	Fisheries management and habitat protection	5,275,400	700,000
FED	Safe drinking water loan program operations	880,100	1,058,400
PR	Division operations - private and public sources	220,300	20,900
SEG	Commercial fish protection and Great Lakes surcharge	5,500	19,500
SEG	Great Lakes trout and salmon	1,262,500	395,900
SEG	Trout habitat improvement	1,295,600	164,500
SEG	Sturgeon stock and habitat	137,300	62,700
SEG	Sturgeon stock and habitat - inland waters	135,900	-75,900
	Customer Service and Employee Assistance		
FED	Division operations - federal	1,042,300	-46,600
PR	Division operations- private and public sources	37,500	46,000
	Total	$49,453,400	$2,770,20

9. DEBT SERVICE REESTIMATE

GPR	$23,942,800
SEG	- 5,861,800
Total	$18,081,000

Governor: Increase funding by $13,068,200 in 2011-12 ($16,723,400 GPR and -$3,655,200 SEG) and $5,012,800 in 2012-13 ($7,219,400 GPR and -$2,206,600 SEG) to reflect the current law reestimate of debt service costs on state general obligation bonds and commercial paper debt issued for administrative facilities, conservation land acquisition and development, dam repair and removal, environmental repair, rural and urban non-point source grants, combined sewer overflow, municipal clean drinking water, and pollution abatement grants.

10. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $67,579,800

Governor: Decrease funding by $70,451,700 GPR in 2011-12 and increase funding by $2,871,900 GPR in 2012-13 to reflect the changes in estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (See "Building Commission" for additional information regarding this provision.)

11. ENVIRONMENTAL ANALYSIS AND REVIEW SPECIALISTS

	Positions
PR	3.00

Governor: Provide 3.0 environmental analysis and review specialist project positions to support increased environmental reviews of transportation projects as a result of increased federal transportation funding under the American Recovery and Reinvestment Act (ARRA). Under a cooperative agreement with the Department of Transportation, DNR provides transportation "liaisons" throughout the state who perform environmental reviews (erosion, waterway and wetland regulations, and environmental assessments, as needed) of state roadway projects in the DNR regions. The liaisons also act as a single point of contact for local governments conducting transportation projects. In fall 2009, the Joint Committee on Finance authorized 3.0 two-year project positions and expenditure authority of $225,000 to address an increase in environmental review of transportation workload associated with federal ARRA projects. Authorization for the 3.0 project positions ends November 30, 2011. These positions and corresponding authority of $258,400 were removed under standard budget adjustments (removal of non-continuing elements from the base). The bill would extend the three project positions to continue this work through November, 2013.

Stewardship Program

1. AIDS IN LIEU OF PROPERTY TAXES

SEG	$2,025,000

Governor: Specify that the state make no payments for aids in lieu of property taxes for lands acquired by the Department after the effective date of the bill. Provide $700,000 SEG in 2011-12 and $1,325,000 SEG in 2012-13 from the forestry account of the conservation fund to reflect estimated aids in lieu of property tax payments. Total payments for aids in lieu of property taxes for lands acquired since 1992 are estimated to be approximately $12.5 million in 2011-12 and $13.2 million in 2012-13 (an additional $1.1 million is available for payments for lands acquired prior to January 1, 1992). This includes $4,660,000 in 2011-12 and $5,285,000 in 2012-13 from the forestry account, while the remainder is paid from a sum sufficient GPR appropriation.

Since 1992, when DNR acquires land, the state pays aids in lieu of property taxes on the land to the city, village, or town in which the land is located in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. Aids in lieu of property taxes are paid on property beginning for the tax year after it was purchased.

[Bill Section: 1749]

2. LAND ACQUISITION AND EASEMENTS

Governor: Beginning in fiscal year 2011-12 (July 1, 2011), the bill would limit the acquisition of an easement utilizing stewardship funds to easements necessary to provide public access to land, easements for state trails or the ice age trail, or forestry easements. The bill would also eliminate stewardship grants for an acquisition of property development rights program. In addition, for each proposed land acquisition (except the acquisition of forestry easements) utilizing stewardship funds, the bill would require any city, village, town, or county in which a portion of the land is located to adopt a nonbinding resolution that supports or opposes the proposed acquisition and would require DNR to consider this resolution when approving or denying the acquisition.

Under the Warren Knowles-Gaylord Nelson Stewardship program, DNR acquires land and provides grants to local units of government and non-profit conservation organizations (NCOs) for land acquisition, easements, and nature-based outdoor recreational property development activities. The state generally issues 20-year tax-exempt general obligation bonds to support the stewardship program. Debt service for stewardship bonding is primarily funded from a sum sufficient general purpose revenue (GPR) appropriation ($69.8 million in 2012-13 under the bill) with a portion of the funding coming from the forestry account of the conservation fund ($13.5 million in 2012-13). 2007 Act 20 extended the stewardship program to fiscal year 2019-20 and increased the annual bonding allocation for the program from $60 million to $86 million beginning in 2010-11. Act 20 also increased the total general obligation bonding authority for the stewardship program by $860 million, for a total authorization of $1,663,000,000. The stewardship program is made up primarily of two subprograms, the land acquisition subprogram, and the property development and local assistance subprogram. In addition, Act 20 created a recreational boating aids subprogram. The following table shows how the bonding authority was allocated in fiscal year 2009-10 under the previous stewardship program, and how it is expected to be allocated under the stewardship program from 2010-11 through 2019-20 under current law.

DNR Annual Stewardship Allocations

	Previous Stewardship Program	Reauthorized Stewardship Program (beginning in 2010-11)
Land Acquisition		
General DNR Land Acquisition	$32,500,000	$48,000,000**
NCO Acquisition (minimum)	8,000,000	12,000,000
Board of Commissioners of Public Lands Natural Areas	2,000,000	2,000,000
Land Acquisition Subtotal	$42,500,000	$62,000,000
Property Development and Local Assistance		
Property Development	$7,000,000	$10,000,000
Local Assistance (maximum)	8,000,000	11,500,000
Property Development and Local Assistance Subtotal	$15,000,000	$21,500,000
Recreational Boating Aids	$2,500,000	$2,500,000
Total Allotment	$60,000,000	$86,000,000*

* Available annually for ten years from 2010-11 through 2019-20.

** Includes grants for county forests beginning in 2010-11.

Under the land acquisition subprogram, DNR may obligate moneys to acquire land for any of the purposes specified under statute (such as forests, parks, wildlife areas, and natural areas). The use of DNR lands is guided by statute and administrative code. 2007 Act 20 required lands acquired by DNR to be open to the public for hunting, fishing, trapping, hiking, cross-country skiing, and any other nature-based outdoor recreation as defined by DNR in administrative rule, with exceptions for public safety, protection of unique plants or animals, or accommodation of usership patterns.

The Department utilizes both fee title and conservation easement purchases in its land acquisition activities. Fee title (or fee simple) acquisition involves outright purchases of land by the Department, allowing for complete state ownership and management of the parcel. The Department pays aids in lieu of property taxes, primarily from state general purpose revenue ($7,645,400 GPR in 2009-10) and also from the forestry account ($3,960,000 SEG in 2009-10), on the land it owns. DNR also purchases conservation easements, which involve a permanent, perpetual agreement entered into by the landowner and DNR in which the state purchases certain specifically identified property rights from the landowner. A conservation easement may provide for public access and recreational use, specify certain management criteria (such as maintaining streambank habitat or sustainable forestry practices) or contain certain development restrictions.

Beginning with fiscal year 2011-12, the bill would specify that DNR may obligate moneys from the stewardship program (the reauthorized stewardship 2000 program) only for the acquisition of land in fee simple and for the acquisition of a right or interest in land that is one of the following: (a) an easement, of up to five acres, that is necessary to provide the public access to land or a body of water that is required to be open to the public for which there is no other public access or for which public access is limited to the degree that a major amount of one or more nature-based outdoor activities is not allowed; (b) an easement, of up to five acres, for a state trail or the ice age trail; or (c) a forestry easement, which is defined as a conservation easement that includes all of the development rights in the land and that imposes an obligation on the owner of the land to ensure that the land is managed using sustainable forestry practices to produce forest products.

Under current law, the property development component of the property development and local assistance subprogram addresses property development on DNR-owned land, while the local assistance program awards stewardship grants to local governments (including tribes) and NCOs to acquire land for nature-based outdoor recreation and to local governments for nature-based outdoor recreational development on local conservation land. Funding obligated for property development is used for: (a) property development on DNR land; (b) property development on conservation easements adjacent to DNR land; and (c) grants to friends groups and non-profit conservation organizations for property development activities on DNR land. Funding obligated for local assistance is used for: (a) grants for acquisition and development of local parks (eligible development projects for nature-based outdoor recreation include fishing piers, hiking trails, and picnic facilities, among others); (b) grants for acquisition of urban green space; (c) grants for acquisition of property development rights; and (d) grants for acquisition and development of urban rivers. Stewardship funds may generally be provided for up to 50% of eligible project costs. Effective with fiscal year 2011-12, the bill would eliminate the stewardship program that awards grants to local units of government and NCOs for the acquisition of development rights in lands for nature-based outdoor recreation.

In addition, for any proposed land acquisition utilizing stewardship funds (including easements, except for acquisition of forestry easements), the bill would require each city, village, town, or county to adopt a nonbinding resolution that supports or opposes the proposed acquisition of land if any portion of the land is located in the city, village, town or county. The bill would require DNR to provide written notification to each city, village, town, or county that is required to adopt a resolution. Within 30 days after receiving the notification, the bill would require each affected city, village, town, or county to adopt the resolution and provide the Department with a copy of the resolution. If the Department receives the copy within this time period, DNR would be required to consider the resolution before approving or denying the grant or acquisition. This provision would first apply to applications for grants and state aid that are submitted to the Department on the effective date of the bill, and to DNR acquisitions that are submitted to the Governor on the effective date of the bill.

[Bill Sections: 819 thru 822, 835 thru 837, 848 thru 855, 861, 862, 913, and 9335(2)]

3. PUBLIC ACCESS

Governor: Specify that public access for one or more nature-based outdoor activities may be prohibited on land acquired by DNR or acquired through a stewardship program grant in fee simple, or acquired by an easement or other conveyance on land that was withdrawn from the managed forest law program on or after the effective date of the budget act, only if the Natural

Resources Board determines that it is necessary to do so to: (a) protect public safety; or (b) protect a unique animal or plant community. However, if the property acquired was an easement on managed forest lands for a state trail or the Ice Age Trail, access could also continue to be restricted to accommodate usership patterns.

Under current law, land acquired by DNR or acquired through a stewardship program grant in fee simple, or acquired by an easement or other conveyance on land that was withdrawn from the managed forest law program beginning on October 27, 2007, must be open to the public for hunting, fishing, trapping, hiking, cross-country skiing, and any other nature-based outdoor recreation as defined in administrative rule, *unless* the Natural Resources Board determines that a closure is necessary to: (a) protect public safety; (b) protect a unique animal or plant community; or (c) to accommodate usership patterns, as defined by administrative rule. Exceptions to the public access requirements include fish, game, and wildlife refuges, fish hatcheries, state parks, and locations within close proximity to hospitals and schools where certain types of public access and/or hunting may be prohibited. Except for acquisitions of easements on managed forest land for state trails or the ice age trail, the bill would limit the allowable reasons for prohibiting public access to stewardship lands for nature-based activities to the protection of public safety or a unique animal or plant community.

[Bill Sections: 823 thru 834]

4. OVERSIGHT LEVEL

Governor: Reduce the threshold for review of a stewardship project by the Joint Committee on Finance from $750,000 to $250,000. Further, specify that a project or activity using stewardship funds of less than or equal to $250,000 is subject to review by the Joint Committee on Finance if all of the following apply: (a) it is so closely related to one or more other Department projects or activities proposed as to constitute a larger project or activity that exceeds $250,000; and (b) the Department separated the projects or activities primarily to avoid Joint Finance Review.

Under current law, all stewardship projects (excluding DNR property development projects and DNR acquisition of land held by the Board of Commissioners of Public Lands) in excess of $750,000 are subject to review by the Joint Committee on Finance, under a 14-day passive review process. Further, a DNR project or activity using stewardship funds of less than or equal to $750,000 is subject to passive review by Joint Finance if all of the following apply: (a) it is so closely related to one or more other Department projects or activities proposed as to constitute a larger project or activity that exceeds $750,000; and (b) the Department separated the projects or activities primarily to avoid Joint Finance review.

[Bill Sections: 838 thru 840]

5. LAND VALUATION

Governor: Modify the statutory language regarding the calculation of acquisition costs for certain lands acquired using a stewardship grant. In addition, the bill would clarify that two appraisals are required to determine the current fair market value of the land for all stewardship land acquisition grants to local units of government and non-profit conservation organizations, if the current fair market value of the land is estimated by DNR to be more than $350,000.

Under current law, for land that has been owned by the current owner (seller) for less than one year, the acquisition cost of the land for stewardship grant purposes is equal to the owner's acquisition price. For land owned for over one year but less than three years, the acquisition cost is calculated as the owner's purchase price plus 5% if over one year but less than two, and plus 10% if the land has been owned by the current owner for two years but less than three years. Lands owned for three or more years are limited to the fair market value of the property (generally the appraised value). Under the bill, the acquisition costs for land that has been owned for less than one year would equal the current owner's acquisition price or the current fair market value of the land, whichever is lower. For land owned by the current owner for over one year but less than three years, the acquisition cost would be calculated as the lower of the following: (a) the current fair market value or (b) the adjusted price (current owner's purchase price plus 5% if over one year but less than two, and plus 10% if over two years but less than three years). Land owned by the current owner for three or more years would remain limited to the fair market value of the property.

Current law requires DNR to utilize at least two appraisals to determine the fair market value of land when awarding certain stewardship land acquisition grants to local units of government and nonprofit conservation organizations if the fair market value of the land is estimated by DNR to be over $350,000. The bill would clarify that two appraisals are required to determine the "current" fair market value of the land for <u>all</u> stewardship land acquisition grants to local units of government and nonprofit conservation organizations for land where DNR estimates the current value at over $350,000.

These provisions would first apply to applications for grants, state aid, or funding submitted to DNR on July 1, 2011, and that have not been approved or denied by DNR on or before the effective date of the budget act.

[Bill Sections: 841 thru 847, and 9335(1)]

Fish, Wildlife and Recreation

1. PARKS OPERATION FUNDING SPLIT

GPR	- $2,500,000
SEG	2,500,000
Total	$0

Governor: Provide $2,500,000 SEG from the parks account of the conservation fund and delete $2,500,000 GPR in 2011-12 only associated with 23.0 positions for parks operations. Base funding for 2012-13 would not be affected. Under the bill, approximately 13% of the state park operations budget would be GPR supported in 2011-12 and 25% (approximately the same level as in the 2009-11 biennium) would be GPR in 2012-13 (75% parks SEG supported).

2. GOVERNOR THOMPSON STATE PARK OPERATIONS

SEG	$56,200

Governor: Provide $32,100 in 2011-12 and $24,100 in 2012-13 from the parks account of the conservation fund for limited-term employee salary and fringe benefits and supplies to support increased maintenance associated with a new campground. Phase I of a two-phase campground is expected to open in 2011 at Governor Thompson State Park (Marinette County) with 50 new campsites.

3. PARKS PUBLIC SAFETY AND LAW ENFORCEMENT EQUIPMENT

SEG	$234,500

Governor: Provide $125,000 in 2011-12 and $109,500 in 2012-13 from the parks account of the conservation fund for parks equipment upgrades. There are four components to this provision.

First, provide $58,300 annually for the first two payments of an expected four-year master lease that would support the purchase of 99 radios for parks staff. The Federal Communications Commission has mandated that all Very High Frequency (VHF) government radio communications move to narrow band effective January 1, 2013. Narrowband radios use 12.5 kHz channel spacing rather than 25 kHz channel spacing meaning they have double the number of channels/frequencies available for use in the same amount of electromagnetic spectrum. All 99 radios purchased would be narrowband radios. In addition, the radios are compatible with both analog and digital transmissions.

Second, provide $44,200 annually for the first two payments of an expected four-year master lease to support the purchase of 37 mobile data computer units (MDC), IP Mobile-Net radios (which enable the MDCs to transmit data to Wisconsin State Patrol dispatchers), and associated equipment. Currently, the parks system has 34 MDC units, all of which are over five years old, and which are experiencing increasing maintenance issues.

Third, provide $15,500 in 2011-12 only to purchase vehicle security screens for 27 parks law enforcement vehicles throughout the state. The screens separate persons in custody being transferred to a detention facility from law enforcement personnel.

Finally, the bill would provide $7,000 annually to transition permanent and LTE parks staff with law enforcement-related duties to the use of lead-free ammunition.

4. PARKS AND SOUTHERN FORESTS OPERATIONS

SEG	$815,600

Governor: Provide $407,800 annually ($67,500 forestry account and $340,300 parks account) for limited-term employees, utilities, fleet expenses and supplies to operate new facilities, trails, and campgrounds developed in recent years in the Wisconsin state park and forest systems.

New buildings have been added to upgrade parks and southern forest facilities including entrance and visitor stations, toilet and shower buildings, accessible cabins, and shop buildings. In some cases, properties containing these new facilities have had to absorb the maintenance and operational costs within existing budgets. In addition, several new facilities at multiple properties are under development or are beginning construction and scheduled to open in the 2011-13 biennium and will require services including electricity, sewer and water, fuel, and cleaning and basic maintenance. Further, new trail miles have been added to several state trails requiring additional trail maintenance. The bill would provide additional operations and maintenance funding from the parks and forestry accounts of the conservation fund. The bill includes operations funding for 37 state parks, two state recreation units, five state trails, and five state forest units, as follows (listed properties are state parks unless otherwise indicated):

Park/Recreation Area	Facilities	Annual	Total
Amnicon Falls	Vault Toilet	$2,500	$5,000
Aztalan	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
Bearskin State Trail	2 Vault Toilets	5,000	10,000
Big Bay	2 Vault Toilets	5,000	10,000
	Park Entrance & Visitor Station	5,000	10,000
Big Foot Beach	Flush Toilet	2,500	5,000
Blue Mound	Shelter Building	1,500	3,000
	Maintenance	3,000	6,000
Brunet Island	Shelter Building	1,500	3,000
	Vault Toilet	2,500	5,000
Buckhorn	Portable Toilets Plumbing Contract	13,700	27,400
Chippewa Moraine Recreation Area	Maintenance	2,000	4,000
Chippewa River State Trail	Vault Toilet	2,500	5,000
Copper Falls	Bathhouse	2,000	4,000
	Flush Toilet	2,000	4,000
	Park Entrance & Visitor Station	5,000	10,000
Council Grounds	Toilet/Shower Building	3,000	6,000
Devil's Lake	Park Entrance & Visitor Station	7,500	15,000
	2 Toilet/Shower Buildings	6,000	12,000
	Shelter Building	1,500	3,000

Park/Recreation Area	Facilities	Annual	Total
Governor Dodge	2 Vault Toilets	$5,000	$10,000
	Park Entrance & Visitor Station	4,000	8,000
	Shelter Building	1,500	3,000
Governor Nelson	Shelter Building	2,500	5,000
	Bathhouse	1,500	3,000
Great River State Trail	Vault Toilet	2,500	5,000
Hartman Creek	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
High Cliff	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
	Maintenance	3,000	6,000
	New Utility Lines	3,000	6,000
Interstate	Vault Toilet	2,500	5,000
	Bathhouse	3,000	6,000
	Shelter Building	1,500	3,000
	Interpretive Center	3,000	6,000
Kettle Moraine State Forest-Lapham Peak Unit*	Shelter Building	1,500	3,000
	Interpretive Center	2,000	4,000
	Vault Toilet	2,500	5,000
	Ranger Station	3,500	7,000
Kettle Moraine State Forest-Northern Unit*	2 Bathhouses	6,000	12,000
	Maintenance	3,500	7,000
	3 Vault Toilets	7,500	15,000
	Shelter Building	1,500	3,000
	Horse Shelter	1,000	2,000
	Shop Building/Storage Facility	1,000	2,000
	Observation Tower	500	1,000
	New Bike Trail Miles	5,500	11,000
Kettle Moraine State Forest-Pike Lake Unit*	Maintenance	3,000	6,000
	Flush Toilet	3,000	6,000
	Park Entrance & Visitor Station	4,000	8,000
Kettle Moraine State Forest-	2 Toilet/Shower Buildings	6,500	13,000
Southern Unit*	Flush Toilet	2,000	4,000
	Shelter Building	1,500	3,000
Kohler Andrae	Shelter Building	1,500	3,000
	Flush Toilet	3,000	6,000
	Amphitheater	500	1,000
Kinnickinnic	Vault Toilet	2,500	5,000
	Changing Stalls	1,000	2,000

Park/Recreation Area	Facilities	Annual	Total
Lake Kegonsa	Vault Toilet	$2,500	$5,000
	Shelter Building	1,500	3,000
Lake Wissota	Shelter Building	1,500	3,000
Merrick	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
	New Campsites	4,000	8,000
Mill Bluff	Shelter Building	1,500	3,000
Mirror Lake	2 Vault Toilets	5,000	10,000
	Cabin	1,500	3,000
New Glarus Woods	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
Newport	Maintenance	3,000	6,000
Pattison	Maintenance	3,000	6,000
	Vault Toilet	2,500	5,000
Peninsula	Maintenance	3,000	6,000
	Shelter Building	1,500	3,000
	Interpretive Center	1,000	2,000
	Vault Toilet	2,500	5,000
Perrot	New Group Campground	7,500	15,000
Point Beach State Forest*	Concession Building	1,000	2,000
	Shelter Building	1,500	3,000
	Vaut Toilet	2,500	5,000
Potowatomi	Vault Toilet	2,500	5,000
	Shelter Building	1,500	3,000
	Toilet/Shower Building	2,000	4,000
	New Group Campground	8,800	17,600
Red Cedar Trail	Flush Toilet	2,500	5,000
Rib Mountain	Shelter Building	1,500	3,000
	Flush Toilet	2,000	4,000
	Vault Toilet	2,500	5,000
	Concession Building	1,000	2,000
Richard Bong Recreation Area*	Park Entrance & Visitor Station	5,000	10,000
	Shelter Building	1,500	3,000
Roche a Cri	Vault Toilet	2,500	5,000
	Office Building	1,000	2,000
Rock Island	Shelter Building	1,500	3,000

Park/Recreation Area	Facilities	Annual	Total
Rocky Arbor	2 Vault Toilets	$5,000	$10,000
Straight Lake	Expanded Property Operations	8,000	16,000
Sugar River Trail	Vault Toilet	2,500	5,000
Whitefish Dunes	Vault Toilet	2,500	5,000
	Shop Equipment	3,000	6,000
Wildcat Mountain	2 Vault Toilets	5,000	10,000
	Shelter Building	1,500	3,000
	New Campground	27,600	55,200
Willow River	2 Vault Toilets	5,000	10,000
	Concession Building	1,000	2,000
	New Campground	58,700	117,400
Wyalusing	Shelter Building	1,500	3,000
	Concession Building	1,000	2,000
	4 Vault Toilets	10,000	20,000
	Expanded Property Operations	2,000	4,000
Total		$407,800	$815,600

*Funded from the forestry account. All others are parks account SEG.

5. FORESTRY RADIO MASTER LEASE

SEG	$428,000

Governor: Provide $214,000 each year in one-time funding from the forestry account of the conservation fund for the third and fourth year payments of a six-year master lease that would support the replacement of forestry radios. Funding of $265,000 each year in one-time funding was provided by 2009 Act 28 for the first two-years of the master lease for the purchase of 232 mobile radios, 209 portable radios, and 11 aviation specific radios.

6. CONSERVATION WARDEN RECRUIT CLASS SUPPORT

SEG	$350,000

Governor: Provide $175,000 annually to create a permanent base of supplies and services associated with recruiting, hiring, and training new conservation wardens. DNR did not have a warden recruit class in calendar year 2009 due to funding constraints and retirement deferrals. 2009 Act 28 provided $175,000 in one-time funding to support a recruit class during the 2009-11 biennium. DNR utilized this funding in 2010 to hire a conservation warden recruit class of 10. The proposed funding would allow the Department to hire a similar size recruit class (depending on the number of expected warden retirements and vacancies) on an annual basis. Expenditure authority would be provided as follows:

	Annual
Conservation Fund	
Fish and Wildlife Account	$133,500
Boat Registration Account	20,400
ATV Account	8,800
Water Resources Account	2,100
Environmental Fund	7,900
Environmental Fund (formerly Recycling Fund)	2,300
Total	$175,000

7. CONSERVATION WARDEN COMPUTERS

SEG	$677,000

Governor: Provide $338,500 in one-time funding in 2011-12 and 2012-13 to begin a master lease for computers for law enforcement wardens. DNR attempts to replace most computers after a four-year life-cycle. In 2012, the Bureau of Law Enforcement will be in its fourth year of a four-year laptop life-cycle. The funds provided would cover the first two years of a four-year master lease and provide 216 laptop computers designed to withstand rugged use. Expenditure authority would be provided as follows:

	Annual
Conservation Fund	
Fish and Wildlife Account	$258,300
Boat Registration Account	39,500
ATV Account	16,900
Water Resources Account	4,100
Environmental Fund	15,200
Environmental Fund (formerly Recycling Fund)	4,500
Total	$338,500

8. CONSERVATION WARDEN RADIO TRUNKING

SEG	$288,000

Governor: Provide $288,000 in one-time funding in 2011-12 to equip DNR law enforcement radios with radio trunking. Funding would be provided for 600 radios including 200 portable warden radios, 50 portable LTE law enforcement radios, 200 mobile truck radios, and 150 mobile boat radios. Mobile radios are located in the warden vehicle, while portable radios are carried outside the vehicle. A trunked radio system is a complex type of computer-controlled radio system which uses only a few channels (frequencies), but allows for a large number of talkgroups. This allows many people to carry on many conversations over only a few distinct frequencies, without interference. Wisconsin State Patrol plans to implement radio trunking by late 2012. Implementing trunking in DNR radios will allow wardens to communicate with the State Patrol. Additional funding of $70,000 to support a portion of boat radio trunking costs is expected to be provided by the U.S. Coast Guard. Expenditure authority would be provided as follows:

	2011-12
Conservation Fund	
Fish and Wildlife Account	$219,800
Boat Registration Account	33,600
ATV Account	14,400
Water Resources Account	3,500
Environmental Fund	12,900
Environmental Fund (formerly Recycling Fund)	3,800
Total	$288,000

9. WILDLIFE MANAGEMENT

SEG	$226,600

Governor: Provide $113,300 annually from the fish and wildlife account (hunting and fishing license fees) of the segregated conservation fund for management of nuisance wildlife, primarily black bear and birds (such as Canada geese). Base-level funds for removing wild animals that cause damage, or for responding to complaints about wild animals, or their structures, which are causing a nuisance are also provided from wildlife damage surcharge revenues (a $2 surcharge added to most resident and nonresident hunting licenses), bonus deer permit sales, and federal funds. DNR contracts with the United States Department of Agriculture's Animal Plant Health Inspection Service (APHIS) Wildlife Services to control and manage wildlife causing damage.

10. SNOWMOBILE TRAIL AIDS

SEG	$388,600

Governor: Increase the snowmobile trail aids appropriation by $144,400 in 2011-12 and $244,200 in 2012-13 to reflect the estimated motor fuel tax transfer to the snowmobile account (related to increased snowmobile registrations). Local trail aids would be expected to be approximately $8.3 million each year (including supplemental trail aids).

11. SNOWMOBILE SUPPLEMENTAL TRAIL AIDS

Governor: Increase the amount of revenue from each non-resident snowmobile trail pass sold that is deposited in the appropriation utilized for snowmobile supplemental trail aids from $15 to $32. The current fee for non-resident trail passes is $35 (including the issuing fee).

Under current law, DNR provides snowmobile trail aids to counties and participating snowmobile clubs for development and maintenance of snowmobile trails. These grants are provided from the snowmobile account of the conservation fund (from a portion of motor fuel tax revenues and registration revenues). In addition, a county or snowmobile club is eligible for supplemental trail aid payments up to a total of $750 per mile, if actual eligible costs exceed the maximum of $250 provided for (basic) trail aids. Since fiscal year 1991-92, supplemental trail aids have been funded from the 40% multiplier to the snowmobile fuel tax transfer formula. Further, beginning in 2001-02, $15 from each non-resident trail pass sticker sold in the prior year is also available for this purpose. Remaining revenues from trail use sticker sales (minus an issuing fee) are deposited to the general balance of the snowmobile account. However, when the trail use sticker fee was increased by $17 from $18 to $35 under 2007 Act 225, the act did not include a corresponding increase in the amount set aside for supplemental trail aids. Therefore, under current law, $15 of the revenue from trail use stickers continues to be available for supplemental trail aids while the remainder is credited to the general snowmobile account. The bill would increase the amount credited to the appropriation for supplemental trail aids by $17 to $32, while the remainder ($3 less the issuing fee) would be credited to the general snowmobile account.

The bill would be expected to result in an approximately $425,000 annual increase in the amount transferred for supplemental trail aids ($17 X 25,000 trail passes), however, this amount is not reflected in the bill. Further, a technical correction is needed to clarify that the change would become effective for the fiscal year 2011-12 transfer.

[Bill Section: 3193]

12. ATV TRAIL AIDS

SEG	- $130,500

Governor: Reduce the ATV trail aids appropriation by $46,700 in 2011-12 and $83,800 in 2012-13 to reflect expected revenues from the motor fuel tax transfer to the ATV account of the conservation fund (related to ATV registrations). ATV trail aids are provided to towns, villages, cities, counties, and federal agencies for the following ATV projects: (a) land or easement acquisition; (b) ATV facilities (such as parking areas, riding areas, and shelters); (c) development and maintenance of ATV trails; (d) purchase of liability insurance; and (e) signs briefly explaining the law related to intoxicated operation of ATVs. Under the bill, local trail aids would be funded at approximately $3.4 million each year.

13. ATV LANDOWNER INCENTIVE PROGRAM LAPSE

Governor: Lapse $894,000 from the appropriation for the ATV landowner incentive program to the balance of the ATV account of the conservation fund in 2011-12. (The appropriation ended fiscal year 2009-10 with a continuing balance of $894,700). No landowner incentive grants were awarded in fiscal years 2008-09 or 2009-10 under the program. In addition, the bill would convert the appropriation from continuing to specify that the amount in the appropriation schedule is the amount that may be committed from the appropriation each biennium. Any uncommitted balance in the appropriation would lapse to the balance of the appropriation at the close of each biennium.

The 2007-09 budget created the ATV landowner incentive program and redirected all non-resident trail pass revenues from the local trail aids appropriation to a continuing appropriation for landowner payments for the program beginning in fiscal year 2008-09. The program provides grants to private landowners who permit public ATV corridors on their lands. Landowners may receive annual incentive payments at the following rates based on the number of days the trail was open for public use during the previous fiscal year: $25 for each mile that was open for public use for at least 60 but less than 180 days; (b) $75 for each mile that was open for public use at least 180 days but less than 270 days; or (c) $100 for each mile that was open for public use for 270 days more. Under the bill, all revenues from non-resident ATV trail passes would continue to be deposited in the landowner incentive appropriation. However, the amount of biennial commitments would be specified in the appropriation schedule, and any remaining uncommitted balance at the end of the biennium would lapse to the balance of the appropriation.

[Bill Sections: 594 and 9235(8)]

14. ENDANGERED RESOURCES NATURAL HERITAGE INVENTORY PROGRAM

	Funding	Positions
PR	$141,800	1.00
SEG	- 141,800	- 1.00
Total	$0	0.00

Governor: Delete $70,900 SEG annually and provide a corresponding $70,900 PR annually and transfer 1.0 conservation biologist position from segregated revenue to program revenue related to fees collected for access to the DNR natural heritage inventory.

Under current law, the DNR Bureau of Endangered Resources conducts a Natural Heritage Inventory (NHI) program, which provides a system for determining the existence and location of natural areas, native plant and animal communities and habitat, and endangered, threatened, and critical species, the degree of endangerment of these natural areas, species, and habitat, and other information and data related to these natural areas and species. Current law requires DNR to share NHI information with those who request it for research, educational, environmental, land management or similar authorized purposes. The data are utilized to assess the potential impacts of a proposed project (for example, a road or building project) on native plant and animal communities.

DNR is authorized to charge a fee under s. 23.27(3)(b) to recover the cost of collecting, storing, managing, compiling, and providing the NHI information and data. These fees are set under administrative rule NR 29 and are currently deposited in a general operations appropriation in the endangered resources account of the segregated conservation fund [20.370(1)(fs)]. The administration indicates the intent of the bill was for this conservation biologist position to be funded by these fees. However, a technical correction is needed to remove the reference to these fees under the SEG appropriation so they may be deposited to the PR appropriation.

15. REPEAL ATLAS REVENUE AND SALE OF LAND APPROPRIATIONS

Governor: Repeal appropriation 20.370(1)(it) (SEG revenues from the sale of atlases) and deposit the revenues in an existing conservation fund SEG appropriation [20.370(8)(ir)] for promotional activities and publications. In addition, repeal the s. 20.370(1)(mg) PR appropriation for natural heritage contributions and sale of natural areas and specify that all moneys received from gifts and contributions under the Wisconsin natural areas heritage program and all moneys received from the sale of state-owned lands withdrawn from the state natural areas system for the purpose of natural heritage land acquisition activities, natural area land acquisition activities, and administration of the natural areas inventory program be deposited in segregated appropriation

20.370(1)(gr). The title of appropriation 20.370(1)(gr) would be changed from "Endangered resources program- gifts and grants" to "Endangered resources - gifts and grants; sale of state-owned lands".

[Bill Sections: 587 thru 589, 601, and 863 thru 865]

Water Quality

1. DAM SAFETY PROGRAM BONDING AND APPLICATION REQUIREMENTS

BR	$4,000,000

Governor: Provide $4,000,000 in general obligation bonding authority for dam safety grants. Under the bill, debt service would be paid from a GPR sum sufficient appropriation, however, no estimate of debt service payments is made for the biennium (debt service on $4 million in general obligation bonds would be expected at about $308,000 annually for 20 years once all bonds are issued). The bill would also remove the current six-month time limit in which municipalities are required to request grant funding after receiving inspection directives or administrative orders from DNR. Dam owners would still be required to be under an administrative order or inspection directive in order to be eligible for a dam safety grant.

Since the 1989-91 biennium, DNR has administered the municipal dam safety grant program. The program provides matching grants to counties, cities, villages, towns, and public inland lake protection and rehabilitation districts for the repair, reconstruction, or removal of municipal dams. To qualify for a grant, the locality must own a dam that has been inspected by DNR and be under a DNR directive to repair or remove the dam. Dam safety grants may also be awarded to remove abandoned dams or to any dam owner to voluntarily remove their dam. A total of $16.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including $4 million authorized by 2009 Act 28. The program has funded the repair or reconstruction of 87 municipally owned dams and the removal of 31 small, abandoned, or municipally owned dams, including 17 municipal dam repair or reconstruction and two municipal dam removal projects funded with the $4 million made available in 2009. In addition, Act 28 requires increased dam safety inspections, which may result in increased demand for dam safety grant funding.

[Bill Sections: 786 and 921]

2. WATER RESOURCES ACCOUNT LAPSES

Governor: To address a structural deficit (authorized expenditures from the water resources account exceeding anticipated revenues to the account), lapse $355,000 in uncommitted balances in each year of the biennium from the following continuing appropriations back to the balance of the water resources account (motorboat gas tax) of the conservation fund.

Appropriation	Annual
Non-profit conservation organization aids	$14,500
Lake protection grants	278,500
Non-profit river protection aids	7,000
Southeastern boating access	9,400
Statewide boating access	18,800
Mississippi and St. Croix rivers management projects	5,900
Facilities acquisition, development, and maintenance	900
Total	$335,000

[Bill Sections: 9235(1) thru (7)]

3. LAKE MANAGEMENT PLANNING GRANTS

Governor: Increase the maximum lake planning grant award from $10,000 to $25,000 per grant. The maximum grants for management ($200,000) and lake classification ($50,000) would not be affected.

Under current law, DNR awards grants for up to 75% of the cost of lake planning projects, with a maximum grant award of $10,000. Counties, municipalities, non-profit conservation organizations, qualified lake associations, town sanitary districts, certain school districts, and public inland lake protection and rehabilitation districts are all eligible to apply for planning grants. Examples of eligible planning activities include data collection, mapping, water quality assessment, nonpoint source pollution evaluation, management strategy development and other projects that would provide baseline information on the status of lakes. Under the bill, the Department would be authorized to provide up to 75% of project costs, up to a maximum grant of $25,000 (a $33,330 project). In fiscal year 2009-10, the Department awarded 104 planning grants for a total of $764,300. Water resources account SEG of $2.6 million is available annually for lake planning, classification and management grants.

[Bill Section: 2927]

4. NONPOINT ACCOUNT REVENUES

SEG-REV	- $2,572,800

Governor: Reduce by $1,286,400 annually the sum-certain GPR transfer to the nonpoint account of the segregated environmental fund. Under the bill, the transfer would be reduced by 10% from a base of $12,863,700 to $11,577,300 each year. The GPR transfer is budgeted under "Miscellaneous Appropriations."

The nonpoint account supports state grant programs related to the abatement and prevention of water pollution from agricultural and urban runoff. The account also currently supports 38.7 positions for administration of regulatory efforts and grants programs. In addition, 2009 Act 28 transferred debt service payments for most nonpoint source pollution abatement-related bonds from GPR to nonpoint SEG. Under current law, the account receives revenues from two primary sources: (a) an annual sum-certain GPR transfer; and (b) tipping fees of $3.20 per ton from the $13 per-ton fee on most solid waste disposed of in Wisconsin landfills, except high-volume industrial waste. These revenue sources were established under 2007 Act 20. The account also receives interest income on its balances. The table below shows revenues beginning in 2007-08 and those estimated for fiscal years 2011-13.

Nonpoint Account Revenues

Source	Actual 2007-08	Actual 2008-09	Actual 2009-10	Estimated 2010-11	Bill 2011-12	Bill 2012-13
GPR Transfer	$11,514,000	$13,625,000	$12,863,700	$12,863,700	$11,577,300	$11,577,300
Solid Waste Tipping Fee	792,600	5,259,400	10,662,000	17,600,000	17,600,000	17,600,000
Interest Income	326,800	28,300	-3,500	5,000	10,000	10,000
Total	$12,633,400	$18,912,700	$23,522,200	$30,468,700	$29,187,300	$29,187,300

5. TARGETED RUNOFF MANAGEMENT BONDING

BR	$7,000,000

Governor: Provide $7 million in additional general obligation bonding authority for the targeted runoff management (TRM) competitive grant program. Bond proceeds would be used to fund structural best management practices (BMPs) in rural areas to prevent nonpoint source water pollution. TRM grants may be used to cover the minimum state assistance as specified in the statutes for agricultural landowners to be required to install BMPs; this cost-share rate is generally 70%. Proceeds may also fund manure management projects at small and medium-sized animal feeding operations that are issued notices of discharge pursuant to manure or wastewater releases to waters of the state.

The TRM program is currently authorized $18 million in general obligation bonding. Bonding authority has increased by $7 million in each of the last two biennia. Debt service on this authority is supported by the segregated nonpoint account of the environmental fund. Debt service under the bill would be estimated at $832,000 in 2011-12 and $1,036,200 in 2012-13.

[Bill Section: 782]

6. URBAN NONPOINT SOURCE AND STORM WATER MANAGEMENT BONDING

BR	$6,000,000

Governor: Provide $6 million in additional general obligation bonding authority for the urban nonpoint source and storm water management (UNPS) competitive grant program. Bond proceeds fund structural best management practices (BMPs) in urban areas to meet performance standards for urban runoff, including storm water discharges. UNPS grants may fund up to 50% of eligible construction costs, up to $150,000. Grant funds must be applied to pollution-control improvements for existing developments, as projects associated with areas of new development or redevelopment are ineligible.

This bonding authority is also shared with the municipal flood control (MFC) and riparian restoration program. MFC grants fund projects to: (a) convey storm water for flood-control purposes; (b) purchase or remove structures subject to repetitive flood loss or that are located in a 100-year floodplain; (c) flood-proof or elevate vulnerable structures; or (d) remove dams and other artificial structures from waterways or otherwise restore riparian areas. MFC grants may be for up to 70% of eligible costs, with individual grants limited to no more than 20% of the total available.

DNR has typically split the biennial bonding authorization equally between the two programs. The UNPS and MFC programs are currently authorized $35.9 million in general obligation bonding. Bonding authority has increased by $6 million in each of the last two biennia. Debt service on this authority is supported by the nonpoint account of the environmental fund, and is estimated at $2,403,000 in 2011-12 and $2,537,400 in 2012-13.

[Bill Section: 784]

7. REPEAL AND RECREATE NONPOINT SOURCE POLLUTION PERFORMANCE STANDARDS

Governor: Require DNR to repeal and recreate administrative rule NR 151, which prescribes performance standards for agricultural and nonagricultural sources of nonpoint source water pollution. Specify the new rule shall not contain requirements more stringent than those under the federal Water Pollution Control Act (Clean Water Act) and associated federal regulations. Specify the recreated rule shall take effect 90 days after the effective date of the bill.

Further, specify that if the recreated NR 151 establishes a date by which a municipality holding a Wisconsin pollutant discharge elimination system (WPDES) general permit for storm water discharges must develop and implement a storm water management program, to the extent allowed by federal law, the rules must not apply to any such municipality that determines compliance with the deadline would have a significant adverse economic impact on the municipality.

Under current state law, DNR is required to promulgate administrative rules containing the quality standards for Wisconsin's surface waters. These standards are contained in administrative rule chapters NR 102 through NR 105. DNR is also required under s. 281.16 of the statutes to promulgate administrative rules containing performance standards for nonpoint sources of water pollution. The performance standards in administrative rule NR 151 are intended to limit nonpoint source pollution as a means of achieving state water quality standards. In accordance with the statutes, NR 151 establishes separate performance standards for: (a) agricultural lands and facilities; and (b) non-agricultural areas including construction sites, post-construction sites, and developed urban areas. NR 151 also creates standards for transportation facilities such as highways, railroads or mass transit facilities, and these standards are similar to those for non-agricultural areas. Performance standards generally prescribe limits or specify required and prohibited activities that would limit: (a) soil erosion or other sediment deposition to waters; (b) nutrient deposition; and (c) runoff of pollutants that tend to be location-specific, such as manure from agricultural facilities or motor vehicle petroleum products from developed urban areas and transportation facilities.

Although the state has latitude in establishing its water quality standards, basic requirements are contained in the Clean Water Act and federal regulations, and states are required to establish water quality standards on these bases. If states fail to promulgate water quality standards on their own accord, federal law provides the U.S. Environmental Protection Agency (EPA) authority to promulgate water quality standards for states. Federal regulations also specify minimum water quality standards for Great Lakes states.

NR 151 requires WPDES-permitted municipalities to meet a two-stage reduction in total suspended solids (TSS) entering waters of the state through runoff from existing development. Stage 1 requirements are a 20% TSS reduction, as compared to no runoff controls, within two years of receiving coverage under a permit. Stage 2 requirements are one of the following: (a) a 40% TSS reduction by March 31, 2013, if WPDES permit coverage began January 1, 2010, or earlier; (b) a 40% TSS reduction within seven years of permit issuance if the permit was issued later than January 1, 2010; or (c) if a 40% reduction is not achieved, the municipality may describe controls in place and submit a long-term storm water management plan to describe future cost-effective efforts to reach the 40% reduction. If a municipality will not meet the seven-year deadline, NR 151 contains provisions under which DNR may extend the compliance deadline by 10 years or more. Any such extension would include five-year reviews by DNR.

The performance standards promulgated in 2010 for WPDES-permitted municipalities replaced requirements of a 20% reduction by March 10, 2008, and a 40% reduction by March 10, 2013. The changes related to extended deadlines and extension for cost-effective planning are intended to reflect concerns of municipalities in recent years that costs of complying with the original March, 2013, deadline would be too onerous.

Any exemption due to significant adverse economic impacts would only be applicable to municipalities holding a WPDES general permit for storm water discharges from municipal separate storm sewers (MS4s). DNR has issued a general permit to cover about two-thirds of municipalities required under federal law to hold permits for MS4 discharges. Larger metropolitan areas such as Milwaukee and Madison operate under individual permits; these municipalities would not be covered by the potential exemption.

[Bill Section: 9135(1)]

8. TRANSFER COMMERCIAL EROSION CONTROL REGULATORY AUTHORITY TO DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

Governor: Transfer to the Department of Safety and Professional Services (DSPS) statutory authority to establish statewide standards for erosion control at construction sites of public buildings and buildings that are places of employment. These responsibilities were transferred to DNR from Commerce under 2009 Act 28, and portions of administrative rule NR 151 promulgated in 2010 addressed erosion and sediment control at these construction sites.

Specify that all DNR rules and orders in effect on the effective date of the bill and related to erosion control at commercial building sites remain in effect until amended, repealed or rescinded by DSPS, or through any previously specified expiration date. Also, specify that any matter pending with DNR primarily related to erosion control at commercial building sites on the effective date of the bill is transferred to DSPS. Specify all materials submitted to DNR and all actions taken by DNR with respect to such matters are to be considered as submissions to or actions of DSPS. Further, specify that any delegations of authority to municipalities by DNR that are in effect on the effective date of the bill would remain in effect until revoked by DSPS.

Under current law, DNR has regulatory authority for construction sites of one acre or larger, which are typically referred to as permitted sites, as they are covered under a general WPDES permit issued by DNR for point sources of pollution. Also, the statutes require DNR to establish minimum erosion control standards for activities at construction sites involving either: (a) no building construction; or (b) construction of a public building or place of employment. These categories include multifamily dwellings, consumer retail establishments, industrial buildings and schools, but not federal buildings, buildings on American Indian reservations, agricultural activities and buildings, or forestry activities. DNR authority also does not extend to construction of one- or two-family dwellings, which is regulated by Commerce. (The bill would transfer erosion control regulations for one- and two-family dwellings from Commerce to DSPS; see the entry under Commerce for additional information.) DNR is allowed under current law to delegate to a local government regulatory authority for construction sites involving public buildings or places of employment. A local delegated authority may enforce by ordinance any standards more stringent than those established by DNR if the local government had the ordinance in effect on January 1, 1994.

NR 151 currently requires that all construction sites implement practices that will not result in excessive sediment runoff from land disturbances, or in soil being tracked onto streets and paved surfaces by machinery used on site. In addition, WPDES-permitted sites must design best management practices intended to achieve certain levels of control of sediment runoff. For sites seeking permits prior to January 1, 2013, the reduction is 80%, to the maximum extent practicable, as compared to the site having no runoff controls. For sites seeking permits January 1, 2013, or after, practices must be designed to achieve sediment discharges of no more than five tons per acre per year, to the maximum extent practicable.

Current law also requires erosion control practices at construction sites of public buildings or places of employment to be described in erosion control plans, which are to be submitted for approval to DNR, or to a local delegated municipality. The statutes also require DNR or the delegated municipality to conduct inspections of erosion control activities taking place on site. If DNR or a local authority finds noncompliance with standards, a stop-work order may be issued.

[Bill Sections: 917 thru 919, 1681, 2292, 2331, 2897 thru 2905, and 9135(2)]

9. CONTAMINATED SEDIMENT REMOVAL BONDING

BR	$5,000,000

Governor: Provide $5,000,000 BR to increase, from $22 million to $27 million, the amount of general obligation bonds authorized to pay for a portion of the costs of removal of contaminated sediment from Lake Michigan or Lake Superior or their tributaries if the project is in a water body that DNR has identified, under the federal Clean Water Act, as being impaired and the source of the impairment is contaminated sediment. Debt service costs paid from the segregated environmental management account of the environmental fund totaled $381,800 in 2009-10, and are estimated at $0.7 million in 2011-12, and $1.0 million in 2012-13.

[Bill Section: 785]

10. WATER QUALITY STANDARD VARIANCES

Governor: Make changes related to variances from water quality standards for wastewater discharge permit holders, as follows.

a. Allow a wastewater discharge permit holder who applies for reissuance or modification of a discharge permit that contains a variance to a water quality standard, or who anticipates that DNR will add a water quality based effluent limitation under s. 283.15(5) when the Department reissues or modifies a discharge permit, to request a variance to the water quality standard that would be used to derive the water quality based effluent limitation when it applies for reissuance or modification of the permit. Currently, a wastewater discharge permit holder must wait to request a variance to a water quality standard until after DNR issues, reissues or modifies the permit, and has 60 days from the date of issuance to apply for a variance. The bill would maintain the authority for the permit holder to apply for the variance within 60 days after DNR reissues or modifies a permit to include a water quality based effluent limitation.

b. Repeal the authority of a permittee to apply to DNR for a variance to a water quality standard after the Department issues a permit to include a water quality based effluent limitation. (This refers to issuance of an original permit rather than a reissuance or modification of a permit.) Currently, a person must obtain a wastewater discharge permit from DNR before the person can discharge pollutants into the waters of the state. DNR promulgates rules with standards of water quality to protect the public interest. A discharge permit can contain requirements to use specified technology to reduce the amount of pollutants in the wastewater discharged into state waters (technology-based requirements). A discharge permit can also contain more stringent requirements to achieve water quality standards for the waters receiving the discharge (water quality based effluent limitations).

c. Delete the requirement that the Department issue a public notice of receipt of the application for a variance and of any deadlines for submission of written arguments on facts and law by interested parties. Currently, within 30 days after DNR receives a complete application for a variance, the Department is required to issue the public notice to the U.S. Environmental Protection Agency, U.S. Army Corps of Engineers, any affected state, any interested agency of this state, and interested members of the public. The bill would retain the requirements that DNR issue a public notice of the Department's tentative decision on the variance within 120 days after receipt of a completed application, and that DNR provide a 30-day period for written comments on the tentative decision.

d. Delete the requirement that when the DNR Secretary makes a final decision to approve or deny the requested variance, the action must be taken within 90 days after expiration of the public comment period on the tentative decision. (Under the bill, there would be no deadline for the DNR Secretary to make the final decision.)

e. Delete the requirement that if the DNR Secretary denies a requested variance because the permittee fails to provide a required demonstration that attaining the water quality standard is not feasible, the Secretary must make the denial within 90 days after the expiration of the public comment period on the tentative decision. (Under the bill, there would be no deadline for the DNR Secretary to make the denial under this provision.)

f. Delete the requirement that if the DNR Secretary does not issue a final decision to approve or deny the requested variance within 90 days after expiration of the public comment, the application for a variance would be considered denied.

g. Delete the requirement that the DNR Secretary's final decision to approve a variance shall, as part of the decision, establish all permit conditions needed to implement the variance. Specify that the Department must address a list of items in a permit reissued or modified to implement a variance (such as compliance with an effluent limitation, a compliance schedule, investigation of treatment technologies or other technologies that may result in compliance with the standard, and reporting requirements). Currently, the permit modified to include the Department's decision must require the same list of items to be in the permit.

h. Delete the requirement that, within 30 days after DNR's final decision to approve a variance, DNR shall issue a public notice of its intent to modify the permit to incorporate the decision.

i. Require that a discharge permit reissued or modified to approve a variance to a water quality standard shall require compliance with an initial effluent limitation that is no less stringent than the effluent limitation achieved under the permit before reissuance, in addition to currently requiring compliance with an initial effluent limitation that at the time the variance is approved represents the level currently achievable by the permittee.

j. Require that the reissued or modified discharge permit shall require investigation of pollution prevention, in addition to currently requiring investigation of treatment technologies, process changes, wastewater reuse or other techniques that may result in compliance by the permittee with the water quality standard.

k. Extend the maximum term of approval for a variance to water quality standards included in a wastewater discharge permit from three to five years, which is the current maximum term of a wastewater discharge permit.

[Bill Sections: 2932 thru 2951]

11. PHOSPHOROUS EFFLUENT LIMITATIONS

Governor: Provide an exception in s. 283.11(3) to the requirement that DNR promulgate an administrative rule with effluent limitations representing the best available demonstrated control technology, processes, operating methods or other alternatives concerning the discharge of phosphorous if the U.S. Environmental Protection Agency has not promulgated an effluent limitation, effluent standard or prohibition concerning this type of discharge. The exception would prohibit DNR from promulgating or enforcing an administrative rule that establishes effluent limitations for the discharge of phosphorous if the rule establishes effluent limitations that are more stringent than the effluent limitations established by any of the states of Illinois, Indiana, Michigan, Minnesota, or Ohio. Currently, DNR administers rules for phosphorous effluent limits in NR 217 of the Wisconsin Administrative Code, based on s. 283.11 and s. 283.13.

[Bill Sections: 2930 and 2931]

Air, Waste, and Contaminated Land

1. RECYCLING AND RENEWABLE ENERGY FUND CHANGES

Governor: Rename the segregated recycling and renewable energy fund (recycling fund) the "economic development fund." Transfer all recycling fund appropriations to the environmental management account of the environmental fund, except the recycling grant appropriations that are repealed (described in other summary entries), and the surcharge administration appropriation, which would remain in the newly named economic development fund.

Rename the recycling surcharge the "economic development surcharge." Deposit the surcharge in the economic development fund. The surcharge is imposed on businesses that have at least $4,000,000 in gross receipts. It is 3% of gross tax liability for corporations or 0.2% of net business income for sole proprietorships, partnerships, limited liability companies taxable as partnerships and S corporations. There is a minimum annual payment of $25 and maximum payment of $9,800. The Department of Revenue collects the surcharge and currently deposits it in the recycling fund.

Deposit $4 per ton of the recycling tipping fee in the economic development fund. Deposit $3 per ton of the recycling fee in the environmental fund. Currently, the recycling tipping fee is $7 per ton for most solid waste disposed of in Wisconsin landfills, other than certain high-volume industrial waste and PCB-contaminated sediment. The fee rate would not change under the bill. DNR collects the recycling fee quarterly and currently deposits the recycling tipping fee in the recycling fund. The deposit of the fees into the new funds would take effect with fees collected by DNR on or after the effective date of the bill. (DNR also collects other solid waste tipping fees totaling $6 per ton for waste other than high-volume industrial waste and PCB-contaminated sediment, most of which is collected annually and deposited in the environmental fund for environmental management or nonpoint source pollution abatement purposes.)

Deposit the electronic waste recycling fee and the newspaper recycling fee in the environmental fund instead of the recycling fund. Under 2009 Act 50, a manufacturer of certain electronic devices (such as televisions and computers) pays an annual registration fee based on the number of devices it sold during the previous year. The newspaper fee is paid by certain printers and publishers of newspapers if they do not meet a requirement that the recycled content of newsprint be at least 33%.

The following table shows the current appropriations that are funded from the recycling and renewable energy fund, and whether, under the bill, they are repealed, transferred to the environmental fund, or retained in the renamed economic development fund. The table also shows the new appropriation in the Wisconsin Economic Development Corporation that would be funded from the economic development fund. Two technical corrections would be needed to fund the DNR electronic waste recycling and UW-Madison bioenergy initiative appropriations from the environmental fund instead of the repealed recycling and renewable energy fund.

Appropriations with Current Law and New Fund

Agency / Appropriation Name	2010-11 Base Funding	2010-11 Base Positions	Bill 2011-12 Appropriation	Bill 2012-13 Appropriation	Bill 2012-13 Positions
Recycling and Renewable Energy Fund - Repealed Appropriations					
Commerce					
Renewable energy grants and loans administration	$69,700	1.0	$0	$0	0.0
Renewable energy grants and loans	14,850,000	0.0	0	0	0.0
Natural Resources					
Recycling demonstration grants	0	0.0	0	0	0.0
Municipal and county recycling grants	32,098,100	0.0	0	0	0.0
Recycling efficiency incentive grants	0	0.0	0	0	0.0
Subtotal	$47,017,800	1.0	$0	$0	0.0
Appropriations Renamed from Recycling and Renewable Energy Fund to Environmeutal Fund					
Agriculture, Trade and Consumer Protection					
Recyclable products regulation	$0	0.0	$0	$0	0.0
Grants for agricultural facilities	0	0.0	0	0	0.0
Clean sweep grants	750,000	0.0	750,000	750,000	0.0
Corrections					
Computer recycling	313,400	2.0	257,500	257,500	1.0
Natural Resources					
Recycling administration	1,370,100	15.0	1,606,300	1,582,600	15.5
Electronic waste recycling administration *	205,000	2.0	152,300	128,600	1.0
Recycling enforcement	205,000	2.4	299,600	295,800	2.4
PCB-contaminated sediment transport grants	3,000,000	0.0	3,000,000	3,000,000	0.0
Statewide recycling administration	412,100	0.5	407,200	407,200	0.5
State recycling grants administration	423,800	4.0	210,500	210,500	2.0
University of Wisconsin - Madison					
Wisconsin bioenergy initiative **	0	0.0	3,560,000	3,560,000	0.0
University of Wisconsin System					
Wisconsin bioenergy initiative **	4,050,000	0.0	490,000	490,000	0.0
Extension recycling education	344,000	4.0	388,200	388,200	4.0
Solid waste research and experiments	154,300	0.5	155,400	155,400	0.0
Wisconsin Housing and Economic Development Authority					
Transfer to development reserve fund	0	0.0	0	0	0.0
Subtotal	$11,227,700	30.4	$11,277,000	$11,225,800	26.4
Appropriation Renamed from Recycling and Renewable Energy Fnnd to Economic Development Fund					
Revenue					
Surcharge administration	$207,500	1.0	$210,800	$210,800	1.0
Economic Development Fund - New Appropriation					
Wisconsin Economic Development Corporation					
Economic development fund programs	$0	0.0	$38,850,000	$39,850,000	0.0
Total	$58,453,000	32.4	$50,337,800	$51,286,600	27.4

* The bill would need to be amended to fund the electronics waste recycling appropriation from the environmental fund.

** The bill splits the appropriation and funding to reflect the separation of UW-Madison from the UW System. The bill would need to be amended to fund the UW-Madison appropriation from the environmental fund.

The following table shows the current revenues that are deposited in the recycling and renewable energy fund, and where, under the bill, they would be deposited.

Revenues Currently Deposited in Recycling Fund and Alternate Fund Under the Bill

Fee	Recycling and Renewable Energy	Environmental	Economic Development
Recycling Tipping Fee*	-$35,606,900	$15,260,100	$20,346,800
Recycling Surcharge (renamed Economic Development Surcharge)	-22,000,000		22,000,000
Electronic Waste Recycling Fee	-255,000	255,000	
Newspaper Recycling Fee	-1,800	1,800	
Total	-$57,863,700	$15,516,900	$42,346,800

*The recycling tipping fee would remain at the current $7 per ton. $4 would be deposited in the economic development fund and $3 would be deposited in the environmental fund.

[Bill Sections: 374, 376, 382, 542, 576 thru 578, 591, 593, 600, 602, 603, 628, 712, 753, 867, 887, 891 thru 894, 2132, 2177, 2184 thru 2187, 2984, and 2985]

2. REPEAL MUNICIPAL AND COUNTY RECYCLING GRANT PROGRAM

SEG	- $64,196,200

Governor: Repeal the municipal and county recycling grant appropriation and program and delete $32,098,100 annually from the segregated recycling and renewable energy fund. The program was created in 1989 Act 335 to provide financial assistance to responsible units of local government for a portion of eligible recycling costs. A responsible unit is the local government that administers a recycling program for a geographic area. Eligible recycling costs for planning and operating a recycling program include expenses such as for staff, equipment, land, collection of recyclables, public education and enforcement, written contracts to obtain services necessary for an effective recycling program, and landfill costs directly associated with recovering recyclables from postconsumer waste.

In 2009-10, DNR awarded $29,294,200 to 1,025 local government grantees, equaling 26.6% of estimated net eligible recycling costs of $110.1 million in calendar year 2010. The grant award averaged $5.16 per capita, but varied substantially by municipality. (DNR awarded $1,803,900 less than the $31,098,100 appropriated amount to meet part of the Department's obligation to transfer funds to the state's general fund under deficit reduction requirements of the 2009-11 biennial budget.) In 2000 and subsequent years, responsible units receive a grant equal to the same percentage of the total grant funding as the responsible unit received, or would have received, in 1999. While $32.1 million is budgeted in 2010-11 for calendar year 2011 municipal recycling grants, actual grant awards are expected to be substantially lower in order to meet general fund transfer requirements and to maintain a positive recycling fund balance on June 30, 2011.

[Bill Sections: 591, 593, 596, 2977, and 2980]

3. REPEAL LOCAL GOVERNMENT RECYCLING MANDATES

Governor: Repeal the requirement that local governments implement recycling programs. Include the following provisions:

a. Repeal the requirement that each municipality is a "responsible unit" for purposes of operating a recycling program.

b. Repeal the requirement that each responsible unit of local government must operate, or contract with another entity to operate, a recycling program that manages solid waste generated within its jurisdiction in compliance with landfill disposal restrictions that ban certain materials from landfills (the landfill bans) and the state solid waste policies included in statutes. These policies state that the state encourages the following hierarchy of solid waste management priorities: (1) reduction of the amount of solid waste generated; (2) reuse of solid waste; (3) recycling; (4) composting; (5) recovery of energy from solid waste; (6) land disposal; and (7) burning of solid waste without energy recovery.

c. Repeal the definition of responsible unit. Currently, a "responsible unit" is the local government that administers a recycling program for a geographic area, and can include a: (1) municipality (city, village or town); (2) county, if it adopts a resolution to create a responsible unit for all or a portion of the county; (3) multiple-municipality responsible unit consisting of counties, solid waste management commissions or two or more neighboring municipalities; and (4) an Indian tribe.

d. Repeal all provisions related to DNR approval of and local operation of effective recycling programs. Currently, responsible units must be approved by DNR as operating an effective recycling program in order to: (1) landfill "residuals," (materials remaining after other like materials have been separated for recycling) that would otherwise be subject to the landfill disposal bans; and (2) apply for a grant under the municipal and county recycling grant program. A responsible unit's effective recycling program must include several specific components, including: (1) an ordinance to require recycling of the materials subject to the 1995 landfill bans; (2) a method for collecting, processing and marketing recyclables from single-family and two- to four-unit residences; (3) public education and information about how to recycle; (4) curbside collection of certain recyclable materials in municipalities with a population of 5,000 or greater and a population density of greater than 70 persons per square mile; (5) to meet specific per capita total collection standards for eight recyclable materials; (6) equipment and staff necessary to operate and enforce the program; and (7) other components.

e. Repeal the requirement that a responsible unit that receives a state grant under the municipal and county recycling grant program, or a county or municipality within such a responsible unit, is prohibited from imposing a restriction, or a tax or fee on the sale or distribution of packaging for a purpose relating to the disposal of the packaging. For example, currently, local governments that receive a recycling grant are not allowed to assess a bottle deposit fee to help pay for the costs of disposing of the bottle, and are not allowed to ban retail sales of a certain type of plastic packaging in order to reduce issues related to the disposal of the plastic.

f. Repeal the requirement that, if a responsible unit levies a "recycling fee," meaning a special assessment or charge, for the purpose of complying with the requirement that a responsible unit administer a recycling program, any unpaid recycling fee is a lien on the property against which it is levied, to the same extent as a lien for a tax that is levied on real property within the jurisdiction.

g. Repeal the requirement that, as of February 1, 2010, a responsible unit shall provide information to people in its region about the electronic device landfilling ban, why it is important to recycle electronic devices, and opportunities available to those persons for recycling electronic devices.

[Bill Sections: 203 thru 205, 1684, 2150, 2728, 2954, 2956 thru 2958, 2964, 2969, 2971 thru 2981, 3507, and 3508]

4. LANDFILL DISPOSAL RESTRICTIONS

Governor: Modify the 1995 landfill bans on landfilling certain materials (the landfill bans that went into effect January 1, 1995) so that no "individual" may place the banned materials in a container the contents of which will be disposed of in a landfill, converted into fuel, or burned at an incinerator. This means that an individual household would not be allowed to place materials subject to the 1995 landfill bans in a trash can that will be hauled to a landfill. The recycling statutes and bill do not include a definition of "individual," so the common dictionary definition of individual as a human being would apply. Currently, no "person" may dispose of materials subject to the 1995 landfill bans in a landfill, burn with or without energy recovery, or convert the materials into fuel. Under the recycling statutes in s. 287.01 (5m), a "person" includes any individual, corporation, limited liability company, partnership, association, local governmental unit, state agency or authority, or federal agency. Currently, in most of the state, private waste haulers or municipalities transport truckloads of materials for disposal in a landfill rather than individuals taking the waste generated by their household to a landfill for disposal.

The materials affected by the modification in the 1995 landfill bans include: (a) aluminum containers; (b) corrugated paper or other container board; (c) foam polystyrene packaging (packaging made primarily from foam polystyrene that either: (1) is designed for serving food or beverages; (2) consists of loose particles intended to fill empty space and cushion the packaged article; or (3) consists of rigid materials shaped to hold and cushion a packaged article); (d) glass containers; (e) magazines or other material printed on similar paper; (f) newspapers or other material printed on newsprint; (g) office paper; (h) plastic containers (plastics #1 through #7 required to be labeled under the plastic container labeling law); (i) steel containers; and (j) containers for carbonated or malt beverages that are primarily made from a combination of steel and aluminum (known as "bi-metal" cans).

Repeal the requirement that materials subject to the 1995 bans from landfills may only be landfilled if the materials are "residuals" from an effective recycling program ("residuals" are materials remaining after other like materials have been separated for recycling).

The bill would maintain the current bans on any person disposing of several materials in a landfill or incinerator, including: (a) lead acid batteries; (b) major appliances (air conditioners, clothes dryers, clothes washers, dishwashers, freezers, microwave ovens, ovens, refrigerators, stoves, furnaces, boilers, dehumidifiers, and water heaters); (c) waste oil (banned from landfills but can be burned with energy recovery); (d) yard waste; (e) waste tires (banned from landfills but can be burned with energy recovery); and (f) electronic devices (such as computers, televisions, video cassette recorders, digital video disc players, and cell phones). In addition, the bill would not change the current requirement that no individual may place electronic devices in a container the contents of which will be disposed of in a landfill.

The bill would maintain DNR's current authority to issue a citation to any person who violates any of the bans, and to collect a forfeiture of $50 for the first violation, $200 for the second, and $2,000 for the third or subsequent violation.

Provide that the 1995 landfill bans would not apply to a material that has been contaminated and cannot feasibly be cleaned for recycling. Repeal the requirement that DNR may grant a waiver to the 1995 landfill bans if: (a) the applicant shows that the recyclable material has been contaminated and cannot feasibly be cleaned for recycling; and (b) DNR determines that granting the waiver will not impede progress toward meeting the goals of the state solid waste policy (the statutory policy that encourages waste reduction, reuse, recycling and composting of solid waste).

Provide that DNR may "issue" instead of "grant," a waiver to the 1995 landfill bans for foam polystyrene and plastic containers if the Department determines: (a) recycling of the material is not feasible or practical in light of current markets or available technologies; and (b) granting the waiver will not impede progress toward meeting the goals of the state solid waste policy. In 1996, DNR granted a waiver to the disposal requirements for foam polystyrene and plastic containers that are labeled #3 through #7, and granted one-year variances to all responsible units for these plastics in 1995 and 1996. Currently, and under the bill, the waiver would remain in effect until one year after DNR determines that markets and technologies are available for recycling the material.

[Bill Sections: 2961 thru 2968, and 2970 thru 2972]

5. REPEAL RECYCLING EFFICIENCY INCENTIVE GRANT PROGRAM

Governor: Repeal the recycling efficiency incentive (REI) grant appropriation and program. The program was created in 2001 Act 16, and was appropriated $1,900,000 annually from the recycling and renewable energy fund from 2002-03 through 2008-09. The program was not appropriated funding for 2009-10 or 2010-11, but the statutory authorization for the program was retained. The REI is an optional program to provide funding to responsible units that implement efficiencies in their recycling programs such as the consolidation of two or more responsible units or a responsible unit entering into a cooperative agreement with at least one other responsible unit to provide recycling services. Available grant funds are distributed as a per capita amount for the population of all responsible units with approved applications.

[Bill Sections: 597, 2960, and 2981]

6. REPEAL DEMONSTRATION AND BUSINESS RECYCLING GRANT PROGRAMS

Governor: Repeal the appropriation and program statutes for two waste reduction and recycling grant programs that have provided assistance for projects that reduce the amount of waste generated or disposed of. The appropriation supports: (a) waste reduction and recycling demonstration grants to municipalities, schools, other public entities, businesses and nonprofit organizations for a portion of the costs of projects which implement innovative waste reduction and recycling activities; and (b) contracts with nonprofit organizations for services to assist businesses to reduce the amount of solid waste generated or to reuse or recycle solid waste. Under 2007 Act 20, the appropriation was increased from $500,000 annually to $1,500,000 in 2007-08 and 2008-09, with the intent of allocating the increase for business waste reduction and recycling assistance. The programs were not appropriated funding for 2009-10 or 2010-11, but the statutory authorization for the programs was retained.

[Bill Sections: 591, 593, 595, 2977, 2982, and 2983]

7. ELIMINATE VEHICLE ENVIRONMENTAL IMPACT FEE

SEG-REV - $21,000,000

Governor: Repeal the $9 per vehicle environmental impact fee that is paid to DOT when a certificate of title is transferred for a new or used vehicle. DOT deposits the environmental impact fee in the segregated environmental management account of the environmental fund. Currently, the environmental management account is mainly used for: (a) DNR administration of contaminated land cleanup, brownfields, and groundwater management activities; (b) DNR and Commerce brownfields grants programs; (c) state-funded cleanup at sites where there is no responsible party able or willing to cleanup the site; and (d) DNR debt service appropriations for remedial action, contaminated sediment cleanup, administrative facilities, and certain water pollution abatement bonds. The fee generated revenue of $10,583,500 in 2008-09 and $10,454,000 in 2009-10. DOA estimates the decrease in revenue to the environmental management account will be approximately $10.5 million annually. [See the entry under "Transportation -- Transportation Finance" for a corresponding $9 increase in the vehicle title fee that is deposited in the transportation fund.]

[Bill Sections: 878, 880, 888, 2235, 3132, and 9348(5)]

8. BROWNFIELDS SITE ASSESSMENT AND GREEN SPACE GRANTS

SEG	- $4,130,000

Governor: Repeal the appropriations for the brownfields site assessment and green space grant appropriations. Decrease funding by $2,065,000 annually from the environmental management account of the environmental fund, including $1,595,700 annually for the site assessment grant program and $469,300 for the green space grant program. The bill would retain the statutory requirements that DNR administer a site assessment grant program under s. 292.75 and a green space grant program under s. 292.79. (Administration officials indicate they intended to repeal the program statutes. The bill would need to be amended to accomplish this.)

The brownfield site assessment grant program was created in 1999 Act 9 to provide grants to local governments to perform the initial investigation of contaminated properties, demolition of certain structures on a contaminated site, asbestos abatement that is part of the demolition activity, and removal and proper disposal of abandoned containers, underground petroleum product storage tank systems or underground hazardous substance storage tank systems. The brownfields green space grant program was created in 2001 Act 16 to provide grants to local governments for brownfields remediation projects that have a long-term public benefit, including the preservation of green space, development of recreational areas, or the use of a property by the local government.

While the Executive Budget Book states the bill would transfer the DNR authority to issue grants and related funding to the Wisconsin Economic Development Corporation, the bill does not transfer the program statutes from DNR to WEDC. [See the entry under "Commerce" for the repeal of the Commerce brownfields grant appropriation, and the transfer of the Commerce brownfields grant program statutes to WEDC.]

[Bill Sections: 598 and 599]

9. ENVIRONMENTAL CLEANUP BONDING

BR	$3,000,000

Governor: Provide $3,000,000 BR, to increase, from $47 million to $50 million, the amount of general obligation bonding authority used to conduct remedial actions at contaminated sites. DNR is authorized to use the bonding authority for: (a) state-funded cleanup under the environmental repair statute (s. 292.31) or hazardous substances spills statute (s. 292.11) when construction is involved and no responsible party is known, willing or able to take the necessary action; and (b) the state's cost-share at federal Superfund or leaking underground storage tank trust fund sites. Debt service costs paid from the segregated environmental management account of the environmental fund totaled $3,868,000 in 2009-10, and are estimated at $3.9 million in 2011-12, and $4.1 million in 2012-13 under the bill.

[Bill Section: 783]

OFFICE OF STATE EMPLOYMENT RELATIONS

	Budget Summary					FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
PR	$5,994,200	$5,678,100	$5,643,100	- $667,200	- 5.6%	55.50	48.65	48.65	- 6.85	- 12.3%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
PR	$1,019,400	- 1.00

Governor: Provide adjustments to the base budget totaling $528,200 in 2011-12 and $491,200 in 2012-13 and -1.0 position annually. Adjustments are for: (a) removal of noncontinuing elements from the base (-$37,400 in 2011-12 and -$74,400 in 2012-13 and -1.0 position annually); (b) full funding of continuing position salaries and fringe benefits ($558,100 annually); and (c) full funding of lease and directed moves costs ($7,500 annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

PR	- $500,200

Governor: Delete $251,100 in 2011-12 and $249,100 in 2012-13 to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. SUPPLIES AND SERVICES FUNDING REDUCTION

PR	- $343,600

Governor: Delete $171,800 annually from base funding for supplies and services. The agency's base funding for items other than salaries and fringe benefits is $1,610,900. The reduction represents 10.7% of this base funding amount.

4. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
PR	- $543,400	- 4.85

Governor: Delete $271,700 and 4.85 positions annually to reflect the elimination of long-term vacant positions under the bill. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

5. ATTORNEY POSITION TRANSFER

	Funding	Positions
PR	- $299,400	- 1.00

Governor: Delete $149,700 and 1.00 position annually to reflect the transfer an attorney position from the Office of State Employment Relations (OSER) to the Department of Health Services (DHS). In the DHS 2011-13 budget provisions, the Department would be provided $152,700 FED and 1.00 FED position annually for the transfer. [The funding amounts differ because the fringe benefit rate for the DHS position is budgeted at 44.60%, while the OSER position was budgeted at 41.78%.]

6. CONVERT CLASSIFIED POSITION TO UNCLASSIFIED POSITION

Governor: Create an unclassified position in OSER by converting 1.0 classified position to 1.0 unclassified position. According to the 2011-13 Executive Budget Summary, the intent of the provision is to incorporate position changes related the budget repair legislation (2011 Wisconsin Act 10).

Under Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) will be moved from classified to unclassified service within the specified agencies. The revised unclassified positions were renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions are at-will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of 2010 Wisconsin Act 10 in regards to the transfer of classified positions to unclassified positions.

7. AUTHORITY TO ELIMINATE VACANT POSITIONS

Governor: Provide that, during the 2011-13 fiscal biennium, the Secretary of the Department of Administration may abolish any full-time equivalent position in any office, department, or independent agency in the executive branch of government, if the position is vacant and the Secretary determines that filing the position is not required for the state agency to carry out its duties and exercise is powers.

The provision would allow the elimination of certain vacant positions without legislative approval in 2011-13. Under current law, with certain exceptions, no position, regardless of funding source or type, may be created or abolished unless authorized by the Legislature by law, by the Joint Committee on Finance under s. 13.10 of the statutes, or by the Governor with respect to federally funded positions. The exceptions include changes in the authorized level of program revenue positions approved through a 14-day passive review process and the creation and abolition of certain positions by the Board of Regents of the University of Wisconsin System and the University of Wisconsin Hospitals and Clinics Board.

[Bill Section: 9101(4)]

PROGRAM SUPPLEMENTS

Budget Summary						FTE Position Summary
	2010-11	Governor		2011-13 Change Over Base Year Doubled		
Fund	Adjusted Base	2011-12	2012-13	Amount	%	
GPR	$14,677,000	$50,519,300	$4,885,300	$26,050,600	88.7%	There are no authorized positions for Program Supplements.
SEG	2,389,300	0	0	- 4,778,600	- 100.0	
TOTAL	$17,066,300	$50,519,300	$4,885,300	$21,272,000	62.3%	

Budget Change Items

1. JOINT COMMITTEE ON FINANCE APPROPRIATION FOR AGENCY SUPPLEMENTS

GPR	- $15,850,600
SEG	- 4,778,600
Total	- $20,629,200

Governor: Delete $7,925,300 GPR and $2,389,300 SEG annually to eliminate reserved funding that was authorized in the 2009-11 budget for potential use in the 2009-11 biennium.

2. FUNDS FOR 27TH BIWEEKLY PAYROLL PERIOD

GPR	$45,634,000

Governor: Provide $45,634,000 in 2011-12 in the supplemental appropriation for the estimated costs of having to pay for a 27th payroll check in 2011-12 for those state employees paid on a bi-weekly basis, which is most state employees except unclassified staff of the University of Wisconsin and the Legislature. In most fiscal years, only 26 biweekly payrolls must be paid; however, once every 11 years a year occurs in which 27 biweekly payrolls must be paid.

3. FUNDING FOR RENT INCREASES IN PRIVATELY-OWNED STATE OFFICE SPACE

GPR	- $2,657,000

Governor: Delete funding of $1,328,500 annually to reflect the deletion of base level funding in the program supplements appropriation for private facility rental increases. The appropriation is utilized to supplement state agencies' GPR appropriations for the increased costs of any privately-leased office space that they occupy. Annual base level funding is $1,328,500.

4. ACROSS THE BOARD 10% REDUCTIONS

GPR	- $1,075,800

Governor: Delete $537,900 annually as part of an across-the-board 10% reduction in most non-federal appropriations. The reductions, by appropriation, are shown below:

Fund	Appropriation	Base	Annual Reduction
GPR	Physically handicapped supplements	$6,400	-$600
GPR	Maintenance of capitol and executive residence	5,009,900	-501,000
GPR	Executive residence furnishings replacement	11,300	-1,100
GPR	Groundwater survey and analysis	202,800	-20,300
GPR	JFC program supplementation	148,500	-14,900

PUBLIC DEFENDER

	Budget Summary					FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$76,775,100	$80,366,100	$82,080,800	$8,896,700	5.8%	575.85	574.85	574.85	- 1.00	- 0.2%
PR	1,422,700	1,289,500	1,289,500	- 266,400	- 9.4	5.00	5.00	5.00	0.00	0.0
TOTAL	$78,197,800	$81,655,600	$83,370,300	$8,630,300	5.5%	580.85	579.85	579.85	- 1.00	- 0.2%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$5,309,400
PR	12,400
Total	$5,321,800

Governor: Provide standard adjustments totaling $2,654,700 GPR and $6,200 PR annually. Adjustments are for: (a) full funding of continuing salaries and fringe benefits ($2,293,200 GPR and $3,000 PR annually); (b) overtime ($220,200 GPR and $2,900 PR annually); (c) full funding of lease costs and directed moves ($141,300 GPR and $300 PR annually); and (d) minor transfers within the same appropriation.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $5,826,200
PR	- 33,200
Total	- $5,859,400

Governor: Delete $2,913,100 GPR and $16,600 PR annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

GPR	- $1,010,400
PR	- 215,800
Total	- $1,226,200

Governor: Reduce funding by $505,200 GPR and $107,900 PR annually associated with a 10% reduction to supplies and other non-personnel costs. Of the amounts identified above, $101,500 PR annually is reduced from a PR appropriation that is utilized to reimburse private bar attorneys for providing representation in SPD cases.

4. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $94,400	- 1.00

Governor: Delete $47,200 and 1.0 position annually to reflect the elimination of long-term vacant positions under the bill. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

5. PUBLIC DEFENDER INDIGENCY STANDARD (2009 ACT 164) FUNDING

GPR	$6,906,000

Governor: Provide $3,576,000 in 2011-12, and $3,330,000 in 2012-13, to provide salary and fringe benefits funding ($2,956,100 annually) and associated supplies and services funding ($619,900 in 2011-12 and $373,900 in 2012-13) for 45.4 full-time equivalent (FTE) positions created under 2009 Wisconsin Act 164. Effective with cases opened on June 19, 2011, under Act 164, the SPD indigency standard will generally be modeled after the Wisconsin Works (W-2) eligibility standard. The SPD has estimated that this change will increase its workload by an additional 12,800 cases annually. Based on assumptions that 75% of this increased workload will be assigned to SPD staff, Act 164 provided an additional 45.4 FTE to the SPD, effective June 19, 2011. As a result, the costs of the indigency standard change under Act 164 are not incurred by the state until the 2011-12 state fiscal year.

Funding is intended to provide additional SPD staff to process 75% of the anticipated increased Act 164 workload. The remaining estimated increased workload will be assigned to private bar attorneys.

6. PRIVATE BAR FUNDING SHORTFALL

GPR	$3,612,300

Governor: Provide $825,800 in 2011-12, and $2,786,500 in 2012-13, to address a projected shortfall in funding for private bar attorneys during the 2011-13 biennium. This funding does not address a remaining projected private bar shortfall of $3.5 million for the 2009-11 biennium.

The SPD has trial and appellate attorneys to represent clients who qualify for SPD representation. Staff attorneys, however, do not represent all clients who qualify for SPD representation. Overflow cases are assigned to private bar attorneys at the rate of $40 per hour for in-court and out-of-court representation, and $25 per hour for travel. Cases in which the SPD staff attorneys cannot represent a client due to a conflict of interest are also assigned to the private bar.

7. PENALTY SURCHARGE SHORTFALL

PR	- $29,800

Governor: Reduce expenditure authority by $14,900 annually under the agency's conferences and training appropriation to address a shortfall in penalty surcharge funding. The reduction represents a 10% reduction to the appropriation after adjusting base funding for full funding of continuing salaries and fringe benefits. Require that all unencumbered balances at the end of each fiscal year in the appropriation revert to the penalty surcharge receipts appropriation under the Department of Justice. [See "Justice."]

[Bill Section: 751]

8. TECHNICAL CORRECTION -- REALIGNMENT OF POSITION AUTHORITY

Governor: Transfer a 0.45 full-time equivalent (FTE) financial specialist position under the private bar and investigator payments; administration costs appropriation to the trial representation appropriation to reconcile the budget system with the state's personnel management information system.

PUBLIC INSTRUCTION

Budget Summary						FTE Position Summary				
		Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	2010-11 Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$5,487,973,700	$5,085,024,800	$5,120,426,200	- $770,496,400	- 7.0%	261.46	250.25	250.25	- 11.21	- 4.3%
FED	908,486,600	789,564,500	770,028,400	- 257,380,300	- 14.2	290.89	285.36	279.86	- 11.03	- 3.8
PR	40,860,500	39,664,700	39,866,400	- 2,189,900	- 2.7	80.94	80.01	80.01	- 0.93	- 1.1
SEG	60,108,600	53,369,900	55,369,900	- 11,477,400	- 9.5	1.00	0.00	0.00	- 1.00	- 100.0
TOTAL	$6,497,429,400	$5,967,623,900	$5,985,690,900	- $1,041,544,000	- 8.0%	634.29	615.62	610.12	- 24.17	- 3.8%

Budget Change Items

General School Aids and Revenue Limits

1. STATE SUPPORT FOR K-12 EDUCATION

Governor: Decrease general and categorical school aids from $5,325,034,600 in 2010-11 to $4,886,587,900 in 2011-12 and $4,921,998,300 in 2012-13. Compared to the 2010-11 base year, school aids would decrease by $438,446,700 (-8.2%) in 2011-12 and $403,036,300 (-7.6%) in 2012-13. These proposed funding levels would represent annual changes to the prior year of -8.2% in 2011-12 and 0.7% in 2012-13.

Under state law as it existed prior to the repeal of the two-thirds funding commitment, state funding for support of K-12 education was defined as the sum of state general and categorical school aids, the school levy tax credit, and the general program operations appropriation for the Wisconsin Educational Services Program for the Deaf and Hard of Hearing and the Wisconsin Center for the Blind and Visually Impaired. Using this definition, the bill would decrease state support from the base amount of $6,234,200,300 in 2010-11 to $5,795,198,200 in 2011-12 and $5,830,608,600 in 2012-13. These proposed funding levels would represent annual changes to the prior year of -7.0% in 2011-12 and 0.6% in 2012-13.

Using the definition of partial school revenues as it existed prior to the repeal of the two-thirds funding commitment, the administration estimates that state support of partial school revenues would change from an estimated 63.0% in 2010-11 to approximately 61.2% in both 2011-12 and 2012-13. These estimates incorporate the proposed revenue limit modifications and the state support funding in the bill, which is presented in Table 1.

TABLE 1

State Support for K-12 Education

	2011-12 Base Year	Governor's Proposal 2011-12	Governor's Proposal 2012-13
General School Aids	4,671,200,000	$4,278,784,000	$4,310,488,000
Categorical Aids	653,834,600	607,803,900	611,510,300
School Levy/First Dollar Credits	897,400,000	897,400,000	897,400,000
State Residential Schools	11,765,700	11,210,300	11,210,300
Total	$6,234,200,300	$5,795,198,200	$5,830,608,600
	Change to Prior Year:		
	Amount	-$439,002,100	$35,410,400
	Percent	-7.0%	0.6%
	Change to Base:		
	Amount	-$439,002,100	-$403,591,700
	Percent	-7.0%	-6.5%

Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the Governor's funding recommendations for each general and categorical school aid program as compared to the 2010-11 base funding level. The Governor's recommendations relating to individual school aid programs are summarized in the items that follow.

TABLE 2

State Support for K-12 Education by Fund Source

	2010-11 Base Year	Governor's Proposal 2011-12	Governor's Proposal 2012-13
GPR			
General School Aids	$4,671,200,000	$4,278,784,000	$4,310,488,000
Categorical Aids	600,838,400	559,660,800	561,367,200
School Levy/First Dollar Credits	882,550,000	882,550,000	882,550,000
State Residential School	11,765,700	11,210,300	11,210,300
GPR Subtotal	$6,166,354,100	$5,732,205,100	$5,765,615,500
PR			
Categorical Aids	$1,675,000	$1,507,500	$1,507,500
SEG			
Categorical Aids	$51,321,200	$46,635,600	$48,635,600
School Levy Credit	14,850,000	14,850,000	14,850,000
Total State Support - All Funds	$6,234,200,300	$5,795,198,200	$5,830,608,600

TABLE 3

General and Categorical School Aid by Funding Source
2010-11 Base Year Compared to the Governor's Budget

Agency	Type and Purpose of Aid	2010-11 Base Year	Governor's Proposal 2011-12	Governor's Proposal 2012-13	2011-13 Change Over 2010-11 Doubled Amount	2011-13 Change Over 2010-11 Doubled Percent
	General Aid					
DPI	General School Aids	$4,652,500,000	$4,261,954,000	$4,293,658,000	-$749,388,000	-8.1%
	High Poverty Aid	18,700,000	16,830,000	16,830,000	-3,740,000	-10.0
	Total General Aid	$4,671,200,000	$4,278,784,000	$4,310,488,000	-$753,128,000	-8.1%
	Categorical Aid--GPR Funded					
DPI	Special Education	$368,939,100	$368,939,100	$368,939,100	$0	0.0%
	Additional Special Education Aid	3,500,000	3,500,000	3,500,000	0	0.0
	Supplemental Special Education Aid	1,750,000	1,750,000	1,750,000	0	0.0
	SAGE	109,184,500	109,184,500	109,184,500	0	0.0
	SAGE--Debt Service	148,500	133,700	133,700	-29,600	-10.0
	Pupil Transportation	26,337,300	23,703,600	23,703,600	-5,267,400	-10.0
	Sparsity Aid	14,948,100	13,453,300	13,453,300	-2,989,600	-10.0
	MPS Pupil Achievement	9,650,000	0	0	-19,300,000	-100.0
	Bilingual/Bicultural Education	9,544,200	8,589,800	8,589,800	-1,908,800	-10.0
	Tuition Payments	9,158,800	8,242,900	8,242,900	-1,831,800	-10.0
	P-5 Grants	7,096,400	0	0	-14,192,800	-100.0
	Head Start Supplement	6,960,100	6,264,100	6,264,100	-1,392,000	-10.0
	Alternative Education	4,825,000	0	0	-9,650,000	-100.0
	AODA	4,361,800	0	0	-8,723,600	-100.0
	School Lunch	4,218,100	4,218,100	4,218,100	0	0.0
	County Children with Disabilities Education Boards	4,067,300	4,067,300	4,067,300	0	0.0
	Children at Risk	3,377,500	0	0	-6,755,000	-100.0
	School Breakfast	2,789,400	2,510,500	2,510,500	-557,800	-10.0
	Four-Year-Old Kindergarten Grants	1,500,000	1,350,000	1,350,000	-300,000	-10.0
	Mentoring for Initial Educators	1,302,700	1,172,400	0	-1,433,000	-55.0
	School Day Milk	685,700	617,100	617,100	-137,200	-10.0
	Aid for Transportation--Open Enrollment	482,500	434,200	434,200	-96,600	-10.0
	Peer Review and Mentoring	482,500	434,300	1,606,700	1,076,000	111.5
	Cooperative Educational Service Agencies	289,500	260,600	260,600	-57,800	-10.0
	Gifted and Talented	263,500	237,200	237,200	-52,600	-10.0
	Grants for Nursing Services	241,200	0	0	-482,400	-100.0
	Supplemental Aid	120,600	0	0	-241,200	-100.0
	Advanced Placement	96,500	0	0	-193,000	-100.0
	English for Southeast Asian Children	96,500	0	0	-193,000	-100.0
	Science, Technology, Engineering, and Mathematics	59,400	0	0	-118,800	-100.0
	Aid for Transportation--Youth Options	19,300	17,400	17,400	-3,800	-9.8
DOA	Debt Service on Technology Infrastructure Bonding	$4,342,400	$580,700	$2,287,100	-$5,817,000	-67.0%
	Total Categorical Aid--GPR Funded	$600,838,400	$559,660,800	$561,367,200	-$80,648,800	-6.7%
	Categorical Aid--PR Funded					
DPI	AODA	$1,427,500	$1,284,700	$1,284,700	-$285,600	-10.0%
	Tribal Language Revitalization Grants	247,500	222,800	222,800	-49,400	-10.0
	Total Categorical Aid--PR Funded	$1,675,000	$1,507,500	$1,507,500	-$335,000	-10.0%
	Categorical Aid--SEG Funded					
DPI	School Library Aids	$39,600,000	$35,000,000	$37,000,000	-$7,200,000	-9.1%
DOA	Educational Telecommunications Access Support	$11,190,700	$11,105,100	$11,105,100	-$171,200	-0.8%
UW	Environmental Education--Forestry	$400,000	$400,000	$400,000	$0	0.0%
	Environmental Education--Environmental Assessments	130,500	130,500	130,500	0	0.0
	Total Categorical Aid--SEG Funded	$51,321,200	$46,635,600	$48,635,600	-$7,371,200	-7.2%
	Total Categorical Aid--All Funds	$653,834,600	$607,803,900	$611,510,300	-$88,355,000	-6.8%
	Total School Aid--All Funds	$5,325,034,600	$4,886,587,900	$4,921,998,300	-$841,483,000	-7.9%

2. GENERAL SCHOOL AIDS

GPR	- $749,388,000

Governor: Delete $390,546,000 in 2011-12 and $358,842,000 in 2012-13 in general school aids. The general school aids appropriation funds equalization, integration, and special adjustment aid. General school aids funding would decrease from $4,652,500,000 in 2010-11 to $4,261,954,000 in 2011-12 and $4,293,658,000 in 2012-13. This would result in changes of -8.4% and 0.7%, respectively, compared to the prior year.

3. SPECIAL ADJUSTMENT AID

Governor: Specify that, for the 2011-12 distribution of general school aids, special adjustment aid would be calculated based on 90% of a district's prior year general aid payment.

Under current law, special adjustment aid is equal to the amount needed to make an eligible district's total general aid eligibility in the current year equal to 85% of the district's prior year general aid payment. This provision would raise the percentage to 90% for the 2011-12 aid year, further limiting the year-to-year decline in a district's general aid payment in that year.

[Bill Section: 9137(2)]

4. HIGH POVERTY AID

GPR	- $3,740,000

Governor: Delete $1,870,000 annually in high poverty aid. This would represent a 10% reduction to current base funding of $18.7 million annually for high poverty aid.

High poverty aid is distributed to districts with at least 50% of their enrollment eligible for free or reduced-price lunch. Aid per pupil is calculated by dividing the amount of funding appropriated by the total membership in all eligible districts, with a district's total payment determined by multiplying that amount by each district's membership. By law, for all districts except MPS, high poverty aid is subject to revenue limits. For MPS, high poverty aid must be used to reduce the school property tax levied for the purpose of offsetting the aid reduction attributable to the Milwaukee parental choice program. In either case, the effect of this aid is to reduce the property tax levy of the eligible district.

5. REVENUE LIMITS -- BASE REDUCTION

Governor: Modify the revenue limit calculation to delete the per pupil adjustment provisions under current law and instead reduce base revenue per pupil for each district by 5.5% in 2011-12 and make no adjustment to base revenue per pupil in 2012-13. The bill would also delete current law references to the 2012-13 revenue limit provisions applying to subsequent years, making it unclear under the bill what revenue limit provisions would apply beginning in 2013-14.

Under revenue limits, the amount of revenue a school district can raise from general school aids, computer aid, and property taxes is restricted. A district's base revenue in a given year is equal to the general aid, computer aid, and property tax revenues received in the prior school year. Base revenue is divided by the average of the district's enrollments in the prior three years to determine base revenues per pupil. Under current law, a per pupil adjustment is added to the base revenue per pupil to determine the district's current year revenue per pupil. Current year revenue per pupil is then multiplied by the average of the district's current and prior two years enrollments to determine the district's initial revenue limit. Other adjustments (such as declining enrollment) are then made to the revenue limit.

Under current law, the per pupil adjustment would be $275 in 2011-12, and that amount would be indexed to inflation beginning in 2012-13. Under the bill, these adjustments would be replaced with a 5.5% reduction in 2011-12 and no adjustment in 2012-13.

[Bill Sections: 2575, 2576, and 2580 thru 2596]

6. REVENUE LIMITS -- LOW REVENUE ADJUSTMENT

Governor: Set the low revenue ceiling under revenue limits at $8,900 per pupil in 2011-12 and each year thereafter.

Under current law, any school district with base revenue per pupil below the low revenue ceiling amount may increase its revenues up to that amount. In 2010-11, the low revenue ceiling is $9,000 per pupil. Under current law, it would be set at $9,800 per pupil in 2011-12 and each year thereafter.

[Bill Section: 2574]

7. REVENUE LIMITS -- CARRYOVER OF UNUSED REVENUE AUTHORITY

Governor: Delete the adjustment for carryover of unused revenue authority.

A school district is not required to levy the maximum property tax amount allowed under its revenue limit. Under the carryover adjustment, if a district does not levy the maximum amount allowed in a given school year, the district's revenue limit in the following year is increased by an amount equal to the underlevy in the prior year. This adjustment is reduced by the amount of any nonrecurring revenue limit authority from the prior year.

Administration staff indicate that it was not the Governor's intent to delete this adjustment.

[Bill Section: 2597]

8. REVENUE LIMITS -- PRIOR YEAR BASE REVENUE HOLD HARMLESS

Governor: Delete the prior year base revenue hold harmless adjustment.

Under this adjustment, a school district's initial revenue limit for the current year is, in certain cases, set equal to its prior year's base revenue. This hold harmless applies if a district's initial revenue limit in the current year, after consideration of the per pupil adjustment and low revenue ceiling, but prior to any other adjustments, is less than the district's base revenue from the prior year. This adjustment is nonrecurring. For some districts with relatively large declines in enrollment, the initial revenue limit for the current year can still be less than the district's prior year base revenue, even after the per pupil adjustment and low revenue ceiling adjustment are calculated.

[Bill Sections: 2577 thru 2579, 2584, 2602, and 2603]

9. REVENUE LIMITS -- SCHOOL SAFETY EXPENDITURES

Governor: Delete the adjustment for school safety expenditures.

Under 2009 Act 28, a nonrecurring adjustment for school safety expenditures was created, beginning in the 2011-12 school year. The amount of the adjustment would be equal to $100 times the number of pupils enrolled in the district or $40,000, whichever is greater. To receive the adjustment, a school board would be required to: (a) adopt a resolution to increase its limit using the adjustment; (b) jointly develop an expenditure plan with a local law enforcement agency that specifies the purposes of the additional revenue and is consistent with the broader school safety plan required of districts; and (c) submit the expenditure plan to DPI. A school district could use funding generated by the adjustment to purchase school safety equipment, fund the compensation costs of security officers, or fund other expenditures consistent with its school safety plan.

[Bill Section: 2598]

10. REVENUE LIMITS -- ABOVE-AVERAGE TRANSPORTATION COSTS

Governor: Delete the adjustment for above-average transportation costs.

Under 2009 Act 28, a nonrecurring adjustment for above-average pupil transportation costs was created. The adjustment would be based on the difference, if positive, between the average amount spent by the district per pupil on transportation in the second-previous year and the statewide average amount per pupil spent on transportation in the second-previous year, multiplied by the district's pupil membership in the second-previous year. The revenue limit adjustment would be equal to 50% of that amount in 2011-12 and 100% of that amount in 2012-13 and each year thereafter. A school board would be required to adopt a resolution to use this adjustment.

[Bill Section: 2600]

11. REVENUE LIMITS -- SCHOOL NURSE COMPENSATION COSTS

Governor: Delete the adjustment for school nurse compensation costs.

A nonrecurring adjustment for the compensation costs of school nurses was created under

2009 Act 28, beginning in the 2011-12 school year. The adjustment would be equal to the amount spent by a district in the second-previous year for the salary and fringe benefits costs of school nurses employed by the district and of school nurses providing nursing services in the district under contract with the board. A school board would be required to adopt a resolution to increase its revenue limit using the adjustment.

[Bill Section: 2599]

12. REVENUE LIMIT -- OPEN ENROLLMENT ADJUSTMENT

Governor: Create a new revenue limit adjustment related to open enrollment pupils that are not included in the resident district's enrollment. Specify that the adjustment would be equal to the amount of any open enrollment aid transfer in the previous year for a pupil who was not included in the calculation of the number of pupils enrolled under revenue limits (which uses the third Friday of September count date) in the previous year. The open enrollment program changes associated with this adjustment can be found under "Public Instruction -- Choice, Charter, and Open Enrollment."

Under the open enrollment program, the resident district counts a pupil transferring to another district in its enrollment for revenue limits and general aids. A specified amount of state aid (an estimated $6,796 in 2010-11) is then transferred from the resident district to the nonresident district for each open enrollment pupil. For pupils that attend for less than a full school term, the state aid adjustments are prorated.

[Bill Section: 2601]

Categorical Aids

1. DELETE IMPROVING PUPIL ACHIEVEMENT PROGRAM

GPR	- $19,300,000

Governor: Delete $9,650,000 annually to eliminate base level funding for grants for improving pupil academic achievement and delete related statutory language. Under the current law program, the Milwaukee Public Schools board is permitted to apply to DPI for an annual grant of up to $10,000,000 to implement initiatives to improve pupil academic achievement in all grades, such as employing licensed teachers to tutor pupils who are struggling academically, or employing persons to coordinate the district's instructional programs and provide ongoing professional development for teachers. The MPS board must submit with its application a plan for DPI's approval describing the initiatives for which the grant will be used, describing the research showing that the initiatives have a positive effect on pupil academic achievement, and including criteria for evaluating the effectiveness of the initiatives, such as high school graduation rates or the results of the Wisconsin knowledge and concepts exam.

[Bill Sections: 531 and 2552]

2. ACROSS-THE-BOARD 10% REDUCTIONS

GPR	- $15,011,400

Governor: Delete $7,505,700 annually as part of an across-the-board 10% reduction in most smaller GPR categorical aid appropriations.

Appropriation	Base	Annual Reduction
Pupil Transportation	$26,337,300	-$2,633,700
Sparsity Aid	14,948,100	-1,494,800
Bilingual-Bicultural	9,544,200	-954,400
Tuition Payments/Open Enrollment Transfer	9,158,800	-915,900
Head Start Supplement	6,960,100	-696,000
School Breakfast	2,789,400	-278,900
Four-year-old Kindergarten	1,500,000	-150,000
Mentoring for Initial Educators	1,302,700	-130,300
School Day Milk	685,700	-68,600
Aid for Transportation--Open Enrollment	482,500	-48,300
Peer Review and Mentoring	482,500	-48,200
Cooperative Educational Service Agencies	289,500	-28,900
Gifted and Talented	263,500	-26,300
SAGE--Debt Service	148,500	-14,800
Second Chance Partnership	147,500	-14,700
Aid for Transportation--Youth Options	9,300	-1,900

3. DELETE PRESCHOOL TO GRADE 5 PROGRAM

GPR	- $14,192,800

Governor: Delete $7,096,400 annually to eliminate base level funding for the preschool to grade 5 (P-5) program. Delete related statutory language.

Since 1986-87, P-5 grants have supported programs designed to improve education of pupils enrolled in school districts with high concentrations of low-income and low-achieving pupils. A district receiving a grant must ensure that each elementary school has class sizes of no more than 25 pupils per teacher, annual testing in basic skills, 4-year-old kindergarten, identification of pupils in need of remedial assistance, parental involvement, in-service training, and staff evaluations. Thirty-eight elementary schools in the school districts of Beloit, Kenosha, Milwaukee, and Racine participate in the program.

[Bill Sections: 534, 2457, and 2533]

4. DELETE ALTERNATIVE EDUCATION GRANTS

GPR	- $9,650,000

Governor: Delete $4,825,000 annually to eliminate base level funding for alternative education grants. Under the alternative education grant program, school districts and consortia apply for funding for alternative or adaptive school structures and teaching techniques designed for pupils having difficulty succeeding in the regular school setting, as evidenced by academic failure, truancy, expulsion or suspension, disruptive behavior, criminal involvement, violent behavior, or alcohol or other drug abuse. Currently, alternative education grants are awarded for five years, per administrative rule, with awards generally totaling 100% in the first through third years, 60% in the fourth year, and 40% in the fifth year.

[Bill Sections: 528 and 2452]

5. DELETE ALCOHOL AND OTHER DRUG ABUSE GRANTS

GPR	- $8,723,600

Governor: Delete $4,361,800 annually to eliminate GPR base level funding for the alcohol and other drug abuse (AODA) grant program. There is a separate AODA program appropriation funded with program revenue from penalty assessment surcharge revenues, with base level funding of $1,427,500 PR, that would not be affected by this provision. The bill would also delete current law providing that, for a deferred prosecution agreement, as a condition in a consent decree, or as a recommended intervention under the juvenile justice code, the court could permit the juvenile to participate in a court-approved AODA pupil assistance program provided by the juvenile's school board, subject to the approval of the school board. For an adjudicated delinquent, delete provisions permitting a court's order to include an AODA program provided by the juvenile's school district.

The AODA program provides block grants to address alcohol and other drug abuse among school-age children. Emphasis is placed on both AODA prevention and intervention, including K-12 curriculum development, family involvement, drug abuse resistance education, and pupil-designed AODA prevention or intervention projects.

[Bill Sections: 533, 2438, 2440, 2451, 2533, 3512, 3515 thru 3517, and 3519 thru 3525]

6. DELETE CHILDREN-AT-RISK AID

GPR	- $6,755,000

Governor: Delete $3,377,500 annually to eliminate base level funding for aid for children-at-risk programs. Delete related statutory language, but retain the definition of a child-at-risk for the purposes of other state programs. Under the bill, the definitions of a child-at-risk and the definition of a dropout would apply to the K-12 education statutes. For an adjudicated delinquent, delete the provision that permits a court's disposition to include a children-at-risk program provided by the juvenile's school district. Delete the requirement that a school district develop a plan for children-at-risk, which is one of the 20 school district standards. No state aid may be paid in any year to a school district that fails to meet the requirements found under the 20 standards.

Since 1987-88, certain school districts have received aid for programs for pupils who are considered at-risk of not completing high school because they are: (a) behind their age group in the number of high school credits attained; (b) behind two or more years in basic skill levels or not promoted from 8th to 9th grade; (c) habitual truants; (d) parents; or (e) adjudicated delinquents. Eligibility for aid is based on a district's prior year dropout statistics (districts with 30 or more dropouts or a dropout rate exceeding 5% may apply for aid). Districts receive aid for each at-risk pupil who meets performance standards, such as minimum days in attendance and credits earned. For each pupil meeting the performance criteria, the district receives an amount equal to 10% of its prior year's equalization aid per pupil.

[Bill Sections: 27, 526, 1105, 1321, 1322, 1413, 1414, 2438, 2445, 2463, 2478 thru 2485, 2504, 2532, 2533, 2566, 2570, 3513, 3514, 3518, and 3526]

7. DELETE SMALLER CATEGORICAL AID PROGRAMS

GPR	- $1,228,400

Governor: Delete $614,200 annually to eliminate base level funding for the following categorical aid programs: (a) grants for nursing services ($241,200 annually); (b) supplemental aid ($120,600 annually); (c) advanced placement grants ($96,500 annually); (d) English for Southeast Asian pupils ($96,500 annually); and (e) grants for science, technology, engineering, and mathematics (STEM) ($59,400 annually).

Beginning in 2007-08, grants for nursing services provide competitive grants to school districts, except Milwaukee, to employ additional school nurses or contract for nursing services. Grants must be awarded to districts with the greatest demonstrated need for nursing services, including high ratios of pupils to nurses, prevalence of health problems, and concentrations of low-income pupils. Eight districts received grants in 2009-10.

A school district is eligible for supplemental aid if it satisfies all of the following criteria: (a) the school district had an enrollment of fewer than 500 pupils in the previous school year; (b) the school district is at least 200 square miles in area; and (c) at least 80% of the real property in the district is exempt from property taxation, taxed as forest croplands, owned or held in trust by a federally recognized American Indian tribe, or owned by the federal government. Aid is equal to $350 per pupil. One school district, Laona, receives funding under the program.

Advanced placement (AP) grants provide funding to school districts to partially reimburse the costs related to offering AP courses for the first time, or for expanding the number of AP courses offered. A grant cannot exceed $300 per pupil enrolled in AP courses, but in 2009-10 grants were prorated to $66 per pupil for 40 school districts.

Aid is provided to the Wausau School District for English as second language for 3-, 4-, and 5-year-old Southeast Asian children. Payments were originally funded from Temporary Assistance for Needy Families (TANF) funds under the Department of Workforce Development. Under 2005 Act 25, funding was shifted to GPR in a new appropriation under DPI.

Under 2007 Act 20, a program was created for STEM grants to school districts for the following activities: (a) to develop innovative instructional programs in science, technology, engineering, and mathematics; (b) to support pupils who are typically under-represented in these subjects; and (c) to increase the academic achievement of pupils in these subjects. Twelve school districts have been awarded grants for the current school year.

[Bill Sections: 525, 527, 532, 538, 539, 2439, 2441 thru 2443, and 2456]

8. CONSOLIDATE EDUCATOR MENTORING PROGRAMS

Governor: Repeal the mentoring for initial educators grant program as of July 1, 2012. Transfer $1,172,400 of funding in 2012-13 from this program to the peer review and mentoring grant program, which would result in $1,608,700 of funding in 2012-13 for the peer review program. Funding for these programs would be reduced by 10% in an earlier entry relating to across-the-board 10% reductions, and the remaining funding in 2012-13 would be consolidated into the peer review and mentoring grant program.

Under current law, the mentoring for initial educators grant program provides grants to each employer of an initial educator, as defined under Chapter PI 34 of the Administrative Code. The amount of the grant is equal to the amount that the employer is spending to provide a mentor for the initial educator, but not more than $375. This program would be eliminated under the bill. Base level funding is $1,302,700 annually.

Under the current law peer review and mentoring program, a cooperative educational service agency or a consortium consisting of two or more school districts or cooperative educational service agencies, or a combination thereof, may apply to DPI for a grant to provide technical assistance and training for teachers who are licensed or have been issued a permit to implement peer review and mentoring programs. As a condition of receiving a grant, a cooperative educational service agency or a consortium is required to provide matching funds in an amount equal to at least 20% of the amount of the grant awarded. The matching funds may be in the form of money or in-kind services or both. Funding for this program would be increased under the bill. Base level funding is $482,500 annually.

[Bill Sections: 541, 2454, and 9437(1)]

9. SCHOOL LIBRARY AIDS REESTIMATE

SEG	- $7,200,000

Governor: Reduce school library aids by $4,600,000 in 2011-12 and $2,600,000 in 2012-13 as a reestimate of available funding, from base level funding of $39,600,000. Aid comes from interest earned yearly by the Common School Fund, created under Article X of the State Constitution. Estimates of the amounts that will be available for distribution are made by the Board of Commissioners of Public Lands.

10. AODA FUNDING REDUCTION

PR	- $285,600

Governor: Reduce funding by $142,800 annually (10%) from base level funding of $1,427,500 for alcohol and other drug abuse programs, which are supported from penalty assessment funding. Specify that any unencumbered balance on June 30 of each year would revert to the penalty surcharge appropriation under the Department of Justice.

[Bill Section: 540]

11. REDUCE TRIBAL LANGUAGE GRANTS

PR	- $49,400

Governor: Reduce funding by $24,700 annually (10%) from base level funding of $247,500 for tribal language revitalization grants. The program revenue is from tribal gaming revenues transferred from DOA. Tribal language revitalization grants are grants to school districts and cooperative educational service agencies (CESAs) that, in conjunction with a tribal education authority, may apply to DPI for a grant for the purpose of supporting innovative, effective instruction in one or more American Indian languages.

12. GRANTS FOR GIFTED AND TALENTED EDUCATION

Governor: Modify the current law grants program for gifted and talented education to also allow the University of Wisconsin-Madison to receive grants. Modify the purpose of the grants from providing advanced curriculum and assessments for gifted and talented pupils, to instead provide services and activities not ordinarily provided in a regular school program that allow such pupils to fully develop their capabilities. Under current law, nonprofit organizations, cooperative educational service agencies, and the Milwaukee Public Schools can receive grants.

[Bill Section: 2489]

School District Operations

1. REPEAL 180 DAYS OF INSTRUCTION REQUIREMENT

Governor: Repeal the requirement that a school board schedule at least 180 school days during the school term. Repeal a provision that allows not more than five Saturdays to be counted as school days in any school year with the consent of the school board. Current law requiring at least 437 hours of instruction in kindergarten, 1,050 hours of instruction in grades one to six, and 1,137 hours of instruction in grades seven to 12 would be retained. Permit a school board to schedule up to 35 hours of instruction on Saturdays.

Require each school district to hold school for the minimum required hours of instruction (rather than the required days, as under current law) in order to receive state aid, less: (a) any hours the State Superintendent determines school is not held as the result of a strike; (b) hours during which school is closed by order of the school district administrator because of inclement weather and hours during which parent-teacher conferences are held, not to exceed 35 hours during the school term; (c) hours during which school is closed by order of a local health officer or the Department of Health Services; or (d) hours during which school is closed by order of the school district administrator because of a threat to the health or safety of pupils or school personnel, but not including inclement weather, unless the school board determines that the hours will not count as hours of pupil instruction.

[Bill Sections: 2435, 2436, 2490, 2506, 2556, 2557, 2560 thru 2565, 2568, 2569, and 2572]

2. DELETE REQUIREMENT FOR READING SPECIALIST

Governor: Delete the requirement that each school district employ a certified reading specialist to develop and coordinate a comprehensive reading curriculum in grades kindergarten to 12. Delete the duties assigned to a reading specialist, and instead require that a school board develop and implement a reading curriculum in grades kindergarten to 12 and coordinate the reading curriculum with other reading programs and other support services within the school district.

These board duties under the bill, which currently apply to the reading specialist, would be added to the current duties of the board to develop a program of reading goals, to make an assessment of existing reading needs, and to make an annual evaluation of the district's reading curriculum.

[Bill Sections: 2464 thru 2471]

3. DRUG ADMINISTRATION TRAINING

Governor: Repeal the current law requirement that for school staff, training to administer nonprescription drug products and prescription drugs must be approved by DPI. Under current law, no school bus driver, employee, or volunteer may administer a nonprescription drug product or prescription drug, use an epinephrine auto-injector, or administer glucagon unless he or she has received training approved by DPI in administering nonprescription drug products and prescription drugs. Training in such administration would still be required under the bill, but would not need to be approved by DPI. These provisions do not apply to health care professionals.

[Bill Section: 2488]

4. SCHOOL NURSES

Governor: Delete the current law requirement that school nurses meet qualifications for school nurses prescribed by DPI by rule. Under current law, in addition to the DPI rule, a school nurse must be a registered nurse licensed either under state law or in a party state to the Nurse Licensure Compact.

Under the DPI rule, school nurse means a person who is a registered nurse licensed in Wisconsin, or in a party state, and has a bachelor's or master's degree from a nursing program that is approved by the board of nursing or accredited by the Commission on Collegiate Nursing Education and that includes preparation in public health nursing or community health nursing. An individual is considered a school nurse if he or she was employed by, or under contract with, a school board, a board of control of a cooperative educational service agency, a county children with disabilities education board, or an operator of an independent, charter school as a school nurse on January 1, 2011.

[Bill Section: 2434]

5. INDOOR ENVIRONMENTAL QUALITY

Governor: Delete the requirement that each school board of a public school district and each private school participating in the Milwaukee parental choice program develop and implement a plan for maintaining indoor environmental quality in its schools. Delete the requirement that such plans be provided to any person upon request. Delete the requirement that DPI establish a model management plan and practices for maintaining indoor environmental quality in public and private schools, based on the recommendations of an indoor environmental quality in schools task force established under 2009 Act 96.

[Bill Sections: 2474 thru 2476 and 2548]

6. MPS TEACHING DAYS

Governor: Repeal the current law provision that the period of teaching service in the regular day schools for the Milwaukee Public Schools (MPS) cannot exceed 200 days, including the legal holidays and educational convention days on which the schools are closed.

Under current law, the Milwaukee Public Schools board may determine the school calendar and vacation periods for each school year for the regular day schools, summer schools, social centers, and playgrounds, except that: (a) the period of teaching service in the regular day schools cannot exceed 200 days, including the legal holidays and educational convention days on which the schools are closed; and (b) the board may close any school or dismiss any class in the event of an emergency, fire or other casualty, quarantine or epidemic.

[Bill Sections: 2534 and 2535]

7. RESIDENCY REQUIREMENTS FOR TEACHERS

Governor: Prohibit a school board from requiring that a teacher, meaning any person holding a license or permit issued by the State Superintendent whose employment by a school district requires that he or she hold that license or permit, reside within the school district as a condition of employment. Provide that such residency requirements are a prohibited subject of collective bargaining. Provide that these provisions would first apply to teachers covered by a collective bargaining agreement that is in effect on the effective date of the bill upon the expiration, extension, renewal, or modification of the agreement. A technical correction would be needed to accomplish the intent of the bill.

[Bill Sections: 2409, 2487, and 9337(1)]

8. PROPERTY TAX LEVY CERTIFICATION DATE

Governor: Modify the date by which the clerk of a common or union high school district must certify the district's levy to the clerk of each municipality having territory within the district from November 6 to the 7th calendar day after the day of the general election, in those years in which a general election is held.

[Bill Sections: 2555 and 2559]

9. TRANSPORTATION PAYMENTS TO PARENTS

Governor: Allow all school districts to combine parental contracts relating to transportation of pupils residing in the same household and attending the same private school, rather than only Milwaukee Public Schools as under current law. Specify that this provision would first apply to contracts entered into after the bill's effective date.

Under current law, except for Milwaukee Public Schools, such a payment is made for each such private school pupil so transported. The payment cannot exceed the actual cost of the transportation. A school board may offer this type of contract only if the estimated cost to transport the private school pupil is more than 1.5 times the school district's average cost per pupil for regular bus transportation in the previous school year, and the board meets certain parent notification requirements.

Under 2009 Act 28, the Milwaukee Public Schools were allowed to combine parental contracts for pupils residing in the same household and attending the same private school.

[Bill Sections: 2573 and 9337(2)]

Choice, Charter, and Open Enrollment

1. MILWAUKEE PARENTAL CHOICE PROGRAM -- PAYMENT AND REESTIMATE

GPR	$3,221,000
MPS Aid Reduction	1,236,900
Net GPR	$1,984,100

Governor: Provide $644,200 in 2011-12 and $2,576,800 in 2012-13 over base year funding of $132,061,000 in the appropriation for payments for the Milwaukee parental choice program, based on: (a) reestimates of pupil participation under current law to 20,600 pupils in 2011-12 and 20,900 pupils in 2012-13; and (b) a bill provision to maintain the maximum per pupil payment under the program at $6,442 for the 2011-12 and 2012-13 school years and to resume the indexing of the choice payment to the change in the general school aids appropriation beginning in 2013-14.

Under current law, the maximum amount paid per pupil under the choice program is $6,442 in 2010-11. Beginning in 2011-12, the maximum amount paid per pupil in a given school year would equal the maximum amount paid per pupil in the prior school year adjusted by the percent change, if non-negative, in the general school aids appropriation from the previous school year to the current school year.

Under current law, the estimated cost of the payments from the choice program appropriation is partially offset by a net reduction (after consideration of aid paid to the City to defray the choice levy) in the general school aids otherwise paid to the Milwaukee Public Schools (MPS) by an amount equal to 38.4% of the total cost of the choice program. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction, less the amount of high poverty aid paid to MPS. Under this item, the MPS choice reduction would increase by $247,400 in 2011-12 and $989,500 in 2012-13 over the base choice reduction amount of $50,711,400. The net general fund fiscal effect of this item would be increased expenditures of $396,800 in 2011-12 and $1,587,300 in 2012-13.

[Bill Section: 2542]

2. MILWAUKEE PARENTAL CHOICE PROGRAM -- PROGRAM EXPANSION

GPR	$19,326,000
MPS Aid Reduction	7,421,200
Net GPR	$11,904,800

Governor: Provide $6,442,000 in 2011-12 and $12,884,000 in 2012-13 over base year funding of $132,061,000 in the appropriation for payments for the Milwaukee parental choice program and make the following changes to program eligibility.

a. *Pupil Participation Limit.* Delete the limit on the number of pupils that may participate in the choice program.

Under current law, no more than 22,500 full-time equivalent (FTE) pupils may participate in the program. Additional statutory provisions govern what the State Superintendent must do when he or she determines that the limit has been reached and when the number of choice pupils has fallen below the limit, and the priority order in which pupils must be accepted when schools have been notified that they may begin accepting additional pupils. The bill would eliminate all of these provisions.

b. *Family Income Limit.* Beginning in the 2011-12 school year, specify that there would be no income limit for participation in the choice program for a pupil who did not attend a school participating in the choice program in the 2010-11 school year. For such a pupil, prohibit a choice school from charging or receiving any payment other than the state choice payment if the pupil's total family income does not exceed 325% of the federal poverty level. Allow a choice school to charge a pupil tuition and fees in an amount determined by the school (in addition to the state choice payment) if the pupil's total family income exceeds 325% of the federal poverty level.

Require a choice school, in its letter of acceptance, to indicate the amount of the state choice payment the parent of the pupil will receive.

Current law provisions would apply under the bill for pupils that attended a choice school in the 2010-11 school year. Under current law, to be eligible to attend a choice school for the first time, a pupil's total family income must not exceed 175% of the federal poverty level ($39,630 for a family of four in 2010-11). A choice pupil remains eligible to participate in the program if his or her family income is less than 220% of the federal poverty level ($49,818 for family of four in 2010-11). A sibling of a choice pupil is initially eligible to participate in the choice program if his or her family income is under 220% of the federal poverty level. A pupil who leaves the program would need to meet the family income requirement of 175% of the federal poverty level to re-enter the program, unless the pupil has a sibling still in the program, in which case the 220% threshold would apply. Similar to current law, a choice school would not be able to charge or receive any payment for a pupil other than the state choice payment.

c. *School Eligibility.* Allow schools in Milwaukee County to participate in the choice program, beginning in the 2012-13 school year. Modify the statutory references to the certificate of occupancy that schools must submit to the Department to require that the certificate be from the municipality in which the school is located.

Under current law, schools must be located in the City of Milwaukee to be eligible to participate in the program. A school must submit to DPI a copy of its current certificate of occupancy issued by the City by certain dates prior to beginning participation in the program or if a school moves to a new location.

d. *Combined Fiscal Effect.* As a result of these three items, the administration estimates that an additional 1,000 pupils in 2011-12 and 2,000 pupils in 2012-13 above the current law reestimate would participate in the choice program. The estimated increase in the cost of payments from the choice program appropriation would be partially offset by a net reduction (after consideration of aid paid to the City to defray the choice levy) in the general school aids otherwise paid to the MPS by an amount equal to 38.4% of the total cost of the choice program. Under revenue limits, MPS may levy property taxes to make up for the amount of general aid lost due to this reduction, less the amount of high poverty aid paid to MPS. Under this item, the MPS choice reduction would increase by $2,473,700 in 2011-12 and $4,947,500 in 2012-13 over the base choice reduction amount. The net general fund fiscal effect of this item would be increased expenditures of $3,968,300 in 2011-12 and $7,936,500 in 2012-13.

Under the bill, it is estimated that a total of 21,600 pupils in 2011-12 and 22,900 pupils in 2012-13 will participate in the choice program. The appropriation for payments for the choice program would be funded at $139,147,200 in 2011-12 and $147,521,800 in 2012-13.

[Bill Sections: 2536 thru 2541, 2545, 2546, and 9337(3)&(4)]

3. MILWAUKEE PARENTAL CHOICE PROGRAM -- REQUIRED TESTS

Governor: Delete the requirement that schools participating in the choice program annually administer the 4th, 8th, and 10th grade Wisconsin knowledge and concepts examination and all tests in reading, mathematics, and science that are required for public school pupils under the federal No Child Left Behind Act (NCLB) to all pupils in the relevant grades attending the school under the choice program. Instead, require that choice schools annually administer a nationally-normed standardized test in reading, mathematics, and science to choice pupils in the 4th, 8th, and 10th grades. (The bill would need to be modified in order to achieve the administration's intent.)

NCLB currently requires that all students be tested in reading and mathematics each year in 3rd through 8th grades and once in high school, and in science once each in elementary, middle, and high school.

[Bill Section: 2547]

4. MILWAUKEE PARENTAL CHOICE PROGRAM -- GOING CONCERN DETERMINATION

Governor: Specify that evidence of any of the following circumstances may indicate that a school participating in the choice program does not utilize sound fiscal practices, is not financially viable, or does not have the financial ability to continue educational programming operations:

a. the school's budget and statement of cash flows reveal that the school has inadequate revenues and other financial resources to fund current operations;

b. the audit opinion statement submitted by the school as required under current law contains a qualification as to the school's ability to continue as a going concern;

c. the school failed to make a payment to a vendor for services provided to the school or to an employee or other individual for expenses incurred on behalf of the school within ninety days of receipt of invoice or payment request or as per written agreement, or has failed to make payments to an employee pursuant to a written document specifying compensation and dates for payment, as indicated in writing from the vendor, employee, or other individual;

d. the school failed to make a filing with or withholding payment to the Internal Revenue Service or the Departments of Revenue or Workforce Development as indicated in writing from one of these agencies;

e. an audit that is required of the school by a federal or state agency or local governmental unit and provided to DPI in compliance with reporting requirements promulgated by the Department contained questioned costs or findings related to compliance that may affect the school's ability to continue; and

f. the school failed to refund to DPI the amount of any overpayment made to the school related to the state choice payment, or the amount of any payment made to the school for a pupil ineligible by law to attend the school.

Specify that if DPI determines that any of the above circumstances applies to a school, the school shall, upon written request, provide the Department with any information required by the Department, including an audit of the school's financial statements in accordance with generally accepted accounting principles, to permit the Department to determine whether the school is utilizing sound fiscal practices, is financially viable, or is financially able to continue educational programming operations.

Require a choice school to immediately notify the Department of a decision to cease educational programming operations.

Under current law, by August 1 before the first school year a new school participates in the program, or by May 1 if the school begins participating in the program during summer school, each school participating in the program must submit to DPI evidence of financial viability. Annually, by September 1 following a school year in which a school participated in the choice program, the school must submit to DPI evidence of sound fiscal practices and an independent financial audit of the school conducted by a certified public accountant.

The State Superintendent may issue an order barring a school from participating in the program in the current school year if he or she determines that the school has failed to provide the independent financial audit or evidence of sound fiscal practices, misrepresented information relating to the evidence of financial viability, or failed to refund to the state any overpayment made by the date specified by DPI rule.

[Bill Sections: 2543, 2544, and 2549]

5. MILWAUKEE PARENTAL CHOICE PROGRAM -- NOTICE OF ADMINISTRATIVE CHANGES

Governor: Require the Department to notify each school participating in the choice program and the parents and guardians of each pupil attending a choice school under the choice program of any proposed changes to the choice program or to administrative rules governing the program prior to the beginning of the school year in which the change takes effect. Specify that this would include changes to application or filing deadlines, but would not include changes to provisions governing health or safety.

[Bill Sections: 2550 and 2551]

6. INDEPENDENT CHARTER SCHOOL PROGRAM

GPR	$16,305,000

Governor: Provide $5,820,000 in 2011-12 and $10,485,000 in 2012-13 over base level funding of $56,125,000 as a reestimate of sum sufficient funding for the Milwaukee and Racine independent charter school program. Under current law, the Common Council of the City of Milwaukee, the Chancellor of the University of Wisconsin-Milwaukee, and the Milwaukee Area Technical College are authorized to operate or contract to operate charter schools located within Milwaukee Public Schools. The Chancellor of the University of Wisconsin-Parkside is authorized to operate or contract to operate one charter school located within the Racine Unified School District (RUSD). There are currently 19 charter schools participating in the program, including one in Racine. A total of 7,200 pupils attend these schools in 2010-11, and the aid per pupil is $7,775.

This estimate assumes that 7,800 pupils will be enrolled in the current law program in 2011-12 and that the aid per pupil will be $7,775. In 2012-13, it is assumed that 8,400 pupils will be enrolled in the current program, at a per pupil cost of $7,775. Funding for a related current law aid payment to the Racine Unified School District of $1,300,000 annually is included as well. This separate aid payment would be eliminated, which is summarized in a following item.

Under current law, payments to the charter schools, and a separate aid payment to Racine Unified School District related to the Racine charter school, are fully offset by a proportionate reduction in the general school aids of all school districts in the state through the 2010-11 school year. Beginning in 2011-12, under the current law provision, the amount of the reduction in school aids is capped at the amount of the reduction taken in 2010-11. Any amount over that base amount would be funded directly from the general fund. Under current law revenue limits, and under the bill, school districts may levy property taxes to make up for the amount of revenue lost to the aid reduction.

7. INDEPENDENT CHARTER SCHOOL PROGRAM -- GENERAL AID OFFSET

Statewide Aid Reduction	$16,305,000

Governor: Delete the current law provision that would have capped the reduction in general school aid for all school districts, related to the independent charter school program, at the amount of the reduction taken for the 2010-11 school year and paid additional amounts for the program in future years from the general fund. Instead, for the entire amount paid to independent charter schools in a given school year, the bill would reduce general aid for all school districts by an equal amount.

[Bill Section: 2571]

8. EXPAND INDEPENDENT CHARTER SCHOOL PROGRAM

GPR	$4,665,000
Statewide Aid Reduction	4,665,000
Net GPR	$0

Governor: Authorize the Chancellor of any University of Wisconsin System institution and the Chancellor of UW-Madison to establish and operate independent charter schools. It is estimated that this expansion of the program would add approximately 600 pupils in 2012-13 at a per pupil payment of $7,775, which would equal $4,665,000 in 2012-13 in increased expenditures. Under the bill, additional expenditures for this program would be deducted from the general school aids for all school districts, resulting in no net GPR cost. For this purpose, an institution would be defined as any University or an organizational equivalent designated by the Board of Regents and the University of Wisconsin Colleges. Specify that the chancellors of institutions within the UW System could not establish a charter school without the approval of the Board of Regents of the University of Wisconsin System. Delete current law that specifically authorizes the Chancellors UW-Milwaukee and UW-Parkside to establish and operate independent charter schools as well as provisions that prohibit UW-Milwaukee from establishing a charter school located outside Milwaukee Public Schools, and that prohibit UW-Parkside from establishing a charter school located outside Racine Unified School District.

Provide that if the Chancellor of any UW System institution contracts for the establishment of a charter school, then the Board of Regents of the UW System may employ instructional staff for the school. Specify that annual leave of absence with pay for charter school instructional staff employed by the Board of Regents must be determined by the governing board of the charter school, as approved by the Chancellor of the UW System institution that established the school, and subject to the terms of any applicable collective bargaining agreement. Under current law, these provisions apply only to UW-Parkside.

Delete current law provisions specific to UW-Parkside requiring that the contract for the establishment of a charter school provide that the school be operated by a governing board and that the Chancellor or his or her designee must be a member of the governing board. Delete requirements that if the contract provides that the instructional staff of the charter school shall consist of employees of the Board of Regents of the UW System, the contract must also include provisions that: (a) delegate to the governing board of the charter school the Board of Regents' authority to establish and adjust all compensation and fringe benefits of instructional staff; and (b) authorize the governing board of the charter school to perform specified duties for the Board of Regents with respect to the instructional staff. Delete current law restrictions on the number and enrollment of charter schools established by UW-Parkside. Delete the current law requirement that the Chancellor of UW-Parkside submit a biennial report to the Legislature on the academic performance of the pupils who attend the charter school and on the success of the governance structure of the charter school.

[Bill Sections: 813, 2410, 2420, 2428, 2491 thru 2497, 2501, 2503, 2505, 2752, and 2766]

9. SEPARATE AID PAYMENT TO RUSD

GPR	- $2,600,000
Statewide Aid Reduction	- 2,600,000
Net GPR	$0

Governor: Delete $1,300,000 GPR annually and the current law requirement that DPI pay to Racine Unified School District (RUSD) an amount equal to RUSD's school aid payment per pupil in the current year multiplied by the number of pupils attending the UW-Parkside charter school who were previously enrolled in RUSD. For 2010-11, it is estimated that RUSD will receive $1,300,000 under this provision.

Reduce estimated funding for the charter school appropriation by $1,300,000 annually and reduce the related statewide aid reduction correspondingly.

[Bill Sections: 537 and 2502]

10. PER PUPIL PAYMENT FOR INDEPENDENT CHARTER SCHOOLS

Governor: Specify that in 2011-12 and in 2012-13, independent charter schools would receive their prior year per pupil payment plus the amount of any per pupil increase provided to private schools participating in the Milwaukee Parental Choice Program (MPCP). Because the bill would maintain the MPCP per pupil payment at the 2010-11 amount of $6,442 in 2011-12 and 2012-13, the effect of the change would be to retain the current per pupil charter school payment of $7,775 for the 2011-12 and 2012-13 school years. Provide that independent charter schools, beginning in the 2013-14 school year, would receive a per pupil payment equal to the prior year's payment plus the per pupil adjustment allowable under revenue limits in the current year.

[Bill Sections: 2499 and 2500]

11. INDEPENDENT CHARTER SCHOOL TEACHER LICENSURE

Governor: For persons teaching in an independent, non-school district sponsored charter school, delete the requirement that the person first procure a license or permit to teach from DPI. Instead, require that independent charter school authorizers ensure that all instructional staff for the schools have a bachelor's degree from an accredited institution of higher education. Instructional staff for charter schools sponsored by school districts would still be required to procure a license or permit from DPI.

Under current law, any person seeking to teach in a public school, including a charter school, or in a school or institution operated by a county or the state must first procure a license or permit from the Department. All licenses and permits require at least a bachelor's degree, in addition to other requirements.

[Bill Sections: 2486, 2498, and 2567]

12. VIRTUAL CHARTER ENROLLMENT

Governor: Repeal the limit of 5,250 pupils who may attend a virtual charter school through the open enrollment program.

[Bill Section: 2507 and 2513 thru 2515]

13. OPEN ENROLLMENT PROGRAM -- TIMELINES AND REQUIREMENTS

Governor: Modify the timelines and procedures for the current law full-time open enrollment program as follows:

a. Move the last day in which a pupil may apply to attend a nonresident district from the third Friday following the first Monday in February under current law to the last weekday in April. (The first day would remain the first Monday in February.)

b. Move the date by which the nonresident district must send a copy of the application to the resident district and the Department from the fourth Monday in February under current law to the end of the first weekday following the last weekday in April.

c. Move the date on which a nonresident district may begin to act on applications received from the third Friday following the first Monday in February under current law to May 1.

d. Move the date by which the nonresident district must notify an applicant not chosen from a waiting list as to whether the application was accepted from the first Friday following the first Monday in April under current law to the same day in June.

e. Move the date by which the nonresident district must identify the specific school or program an accepted applicant may attend in the following school year from the second Friday following the first Monday in May under current law to the first Friday following the first Monday in June.

f. Move the date by which a resident district must notify the applicant and the nonresident district that an application has been denied from the first Friday following the first Monday in April under current law to the second Friday following the first Monday in June.

g. Move the date by which a pupil's parent must notify the nonresident district of the pupil's intent to attend school in that district from the first Friday following the first Monday in June under current law to the last Friday in June.

h. Move the date by which a nonresident district must report the names of the pupils accepted to the resident district from June 30 under current law to July 7.

i. Require districts to determine the number of regular education and special education spaces available within the district at the January meeting of the school board, except that for the 2011–12 school year the district must determine the number of regular education and special education spaces available within the district at the February meeting of the school board. This determination would be used as part of the criteria for accepting and rejecting applications from nonresident pupils.

j. Specify that a nonresident district may accept pupils from a waiting list allowed under current law until the third Thursday in September, but only if the pupil will be in attendance at the school or program in the nonresident district on the third Friday in September. Require the parent of a pupil accepted from a waiting list after the start of the school term to immediately notify the resident district of the pupil's intent to attend school in the nonresident district for the current school term.

Specify that a pupil accepted from a waiting list may attend the school or program in the nonresident district even if the pupil has attended a school or program in the pupil's resident district in the current school term, but not if the pupil has attended a school or program in a nonresident district in the current school term.

Under current law, a nonresident district may create a waiting list of pupils whose applications were initially rejected by the district. DPI is required to promulgate rules to implement and administer the waiting list provision.

k. Require the resident district to provide the nonresident district to which a pupil has applied the disciplinary records required under current law by the first Friday following the first Monday in May and delete current law language under which these records would be provided on request by the nonresident district.

l. Create a requirement for the resident district to send the nonresident district a copy of the individualized education program for a child with a disability whose parent submitted an application by the first Friday following the first Monday in May.

m. Require the nonresident district to prepare an estimate of the costs to provide the special education or related services required in the individualized education program for a child with a disability whose parent has submitted an application. For an application submitted for a child with a disability, require the nonresident district to provide a copy of the estimate of costs to the resident district by the third Friday following the first Monday in May. Specify that if the nonresident district fails to comply with the requirement by the date specified, the nonresident district may not charge the resident district for any actual, additional costs incurred by the nonresident district to provide the special education and related services for the child with a disability. This provision would not apply, however, if the resident district fails to send the nonresident district a copy of the individualized education program by the required date.

[Bill Sections: 2509 thru 2513, 2515, 2518, 2521 thru 2523, 2525, and 2526]

14. OPEN ENROLLMENT PROGRAM -- ALTERNATIVE PROCEDURE

Governor: Create a new procedure under which a pupil may attend a public school in a nonresident school district under the full-time open enrollment if certain criteria are met.

Allow the parent of a pupil to apply to a nonresident district under this alternative procedure only if the pupil meets one of the following criteria, and require the parent to describe the criteria that the pupil meets in the application:

a. The resident district determines that the pupil has been the victim of a violent criminal offense, as defined by the Department in rule. Specify that an application made on the basis of this criteria is not valid unless the nonresident district receives the application within 30 days after the determination of the resident district.

b. The pupil is or has been a homeless pupil in the current or immediately preceding school year. A homeless pupil would be defined as an individual who is included in the category of homeless children and youths as defined in the federal McKinney-Vento Act.

c. The pupil has been the victim of repeated bullying or harassment. Under this criteria, the pupil's parent would be required to have reported the bullying or harassment to the resident district, and that, despite any actions taken, the repeated bullying and harassment continues.

d. The place of residence of the pupil's parent and of the pupil has changed as a result of military orders. An application made on the basis of this criteria would not be valid unless the nonresident district receives the application no later than 30 days after the date on which the military orders changing the place of residence were issued.

e. The pupil has moved into the state. An application made on the basis of this criteria would not be valid unless the nonresident district receives the application no later than 30 days after moving into this state.

f. The place of residence of the pupil has changed as a result of a court order or custody agreement or because the pupil was placed in a foster home or with a person other than the pupil's parent, or removed from a foster home or from the home of a person other than the pupil's parent. An application made on the basis of this criteria would not be valid unless the nonresident district receives the application no later than 30 days after the pupil's change in residence.

g. The parent of the pupil and the nonresident district agree that attending school in the nonresident district is in the best interests of the pupil.

Specify that applications may be submitted by parents under the alternative procedure to no more than three nonresident districts in any school year.

Require a nonresident district that receives an application under the alternative procedure to immediately forward a copy of the application to the resident district and to notify the applicant, in writing, whether it has accepted the application no later than 20 days after receiving the application. Require the nonresident district, if it has accepted an application, to identify the specific school or program that the pupil may attend.

Specify that a resident district may notify an applicant under the alternative procedure that the pupil may not attend a school or program in the nonresident district only for the following reasons:

a. The resident district determines that the criteria relied on by the applicant from the seven listed above does not apply to the pupil.

b. The resident district determines that the costs of the special education or related services required in the individualized education program for a child with a disability whose parent has submitted an application under the alternative procedure, as proposed to be implemented by the nonresident district, would impose upon the resident district an undue financial burden in light of the resident district's total economic circumstances. Those circumstances would include its revenue limit, its ability to pay tuition costs for the pupil, and the per pupil special education or related services costs for children with disabilities continuing to be served by the resident district. Specify that this would not apply to a parent who indicated in the application that the pupil has been the victim of a violent criminal offense.

Specify that if an application is accepted by the nonresident district, the pupil may immediately begin attending the school or program in the nonresident district and must begin attending the school or program no later than the 15th day following receipt by the parent of the pupil of the notice of acceptance. Specify that if the pupil has not enrolled in or attended school in the nonresident district by the specified day, the nonresident district may notify the pupil's parent, in writing, that the pupil is no longer authorized to attend the school or program in the nonresident district.

Require the resident district to provide the nonresident district to which a pupil has applied the required disciplinary records under current law within ten days of receiving an application under this procedure.

Require the nonresident district to prepare an estimate of the costs to provide the special education or related services required in the individualized education program for a child with a disability whose parent has submitted an application under the alternative procedure. Require the nonresident district to provide a copy of the estimate of costs to the resident district within ten days after receiving or developing the individualized education program for the applicant. Specify that if the nonresident district fails to comply with the requirement by the date specified, the nonresident district may not charge the resident district for any actual, additional costs incurred by the nonresident district to provide the special education and related services for the child with a disability.

Require DPI to prepare, distribute to districts, and make available to parents an application form to be used by parents under the alternative procedure. Modify the information required in the report on open enrollment that the Department is required to provide annually to the Governor and the appropriate standing committees of the Legislature to include: (a) the number of applications received under the current law and the alternative procedures; (b) for the applications received under the alternative procedure, the number using each of the seven criteria listed above; (c) the number of pupils attending nonresident districts whose applications were accepted under the current law and the alternative procedures; and (d) for the pupils attending nonresident districts whose applications were accepted under the alternative procedure, the number attending under each of the seven criteria listed above.

Specify that the following current law open enrollment provisions would also apply to the alternative procedure: (a) provisions governing the permissible criteria a nonresident district may use to accept or reject applications; (b) provisions specifying that pupils and siblings of pupils already attending the district and pupils currently attending an underlying K-8 district and applying to a union high school district may be included in its count of occupied spaces; and (c) provisions governing the appeal of a rejected application.

Create a revenue limit adjustment related to open enrollment pupils that are not included in a resident district's third Friday of September count date for revenue limits. The details of the calculation can be found under "Public Instruction -- General School Aids and Revenue Limits"

[Bill Sections: 2508, 2516, 2517, 2519, 2520, 2523 thru 2525, 2527 thru 2529, and 2601]

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$2,961,800	0.00
FED	2,155,700	- 5.50
PR	1,452,800	0.00
SEG	41,800	0.00
Total	$6,612,100	- 5.50

Governor: Adjust the base budget by $1,480,900 GPR annually, $1,218,200 FED in 2011-12 and $937,500 FED in 2012-13, $726,400 PR annually, $20,900 SEG annually, delete 5.5 FED positions in 2012-13, for the following: (a) turnover reduction (-$384,600 GPR and -$426,600 FED annually); (b) removal of noncontinuing items from the base (-$234,700 GPR annually and -$32,900 FED in 2011-12 and -$313,600 FED and -5.5 FED positions in 2012-13); (c) full funding of continuing salaries and fringe ($1,723,100 GPR, $1,623,800 FED, $711,900 PR and $20,900 SEG annually); (d) overtime ($285,600 GPR, $52,200 FED, and $14,300 PR annually); (e) night and weekend differential pay ($57,700 GPR, $400 FED, and $200 PR annually); (f) full funding of lease and directed moves costs ($33,800 GPR and $1,300 FED annually); and (g) minor transfers within appropriations.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $2,165,000
FED	- 2,635,000
PR	- 763,600
Total	- $5,563,600

Governor: Delete $2,781,800 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $1,082,500 GPR, $1,317,500 FED, and $381,800 PR annually. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $1,243,800	- 11.21
FED	- 483,800	- 5.13
PR	- 150,800	- 1.63
Total	- $1,878,400	- 17.97

Governor: Delete $939,200 (all funds) and 17.97 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $621,900 GPR and 11.21 GPR positions, $241,900 FED and 5.13 FED positions, and $75,400 PR and 1.63 PR positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. ACROSS-THE-BOARD REDUCTIONS

GPR	- $2,352,600
PR	- 3,932,400
SEG	- 4,082,200
Total	- $10,367,200

Governor: Delete $1,176,300 GPR, $1,966,200 PR, and $2,041,100 SEG annually as part of an across-the-board reduction in most GPR appropriations. The reductions by appropriation are shown below:

Fund	Appropriation	Base	Annual Reduction	Percent Change
GPR	General program operations	$10,630,800	-$233,600	-2.2%
GPR	Residential schools for deaf and blind	11,765,700	-101,400	-0.9
GPR	Residential schools--energy costs	716,100	-71,600	-10.0
GPR	Pupil assessment	3,106,500	-310,700	-10.0
GPR	Adult literacy grants	69,300	-6,900	-10.0
GPR	Grants for national teacher certification	2,099,600	-210,000	-10.0
GPR	Elks and Easter Seals respite center	82,100	-8,200	-10.0
GPR	Milwaukee Public Museum	46,900	-4,700	-10.0
GPR	Interstate compact on military children	1,000	-100	-10.0
GPR	Very special arts	70,300	-7,000	-10.0
GPR	Special Olympics	75,000	-7,500	-10.0
GPR	Precollege scholarships	2,146,100	-214,600	-10.0
PR	Student activity therapy	900	-100	-11.1
PR	Residential schools--services	69,300	-6,900	-10.0
PR	Residential schools--pupil transportation	1,597,200	-159,700	-10.0
PR	Personnel licensure	3,132,500	-108,700	-3.5
PR	GED and HSED	99,800	-3,500	-3.5
PR	Services for drivers	270,600	-13,000	-4.8
PR	Publications	234,100	-8,200	-3.5
PR	Library products and services	234,600	-23,500	-10.0
PR	Choice--financial audits	92,900	-1,800	-1.9
PR	School lunch handling charges	14,844,800	-1,462,400	-9.9
PR	Professional services center charges	164,200	-16,400	-10.0
PR	State agency library processing center	38,300	-1,200	-3.1
PR	Data processing	3,841,300	-160,800	-4.2
SEG	Badgerlink/Newsline for the blind	2,560,000	-256,000	-10.0
SEG	Aid to public library systems	16,681,200	-1,668,100	-10.0
SEG	Library service contracts	1,169,800	-117,000	-10.0

5. STUDENT INFORMATION SYSTEM

GPR	$15,000,000

Governor: Provide $15,000,000 in 2011-12 in a new biennial appropriation for a student information system. Require that the State Superintendent, working with the Office of the Governor, establish a student information system to collect and maintain information about pupils enrolled in public schools, including their academic performance and demographic information, aggregated by school district, school, and teacher. Annually by May 1, require the State Superintendent submit to the Governor a plan for the expenditure of moneys appropriated for this purpose in the succeeding fiscal year. Provide that the State Superintendent may not expend or encumber moneys appropriated for this purpose in any fiscal year unless the Governor approves the plan for that fiscal year. Require the State Superintendent to charge a fee, on a per pupil basis, to any school district that uses the student information system. Permit the State Superintendent to charge a fee to any other person that uses the system. Provide that all fees be credited to the appropriation for professional services center charges under DPI. Require the State Superintendent to submit a plan to the Governor for the expenditure of moneys from this appropriation in the 2011-12 fiscal year by October 1, 2011.

[Bill Sections: 520, 2437, and 9137(1)]

6. KNOWLEDGE AND CONCEPTS EXAMINATIONS

GPR	$4,626,800

Governor: Provide $2,313,400 annually above base level funding of $3,106,500 for standardized pupil assessments to contract for and administer the Wisconsin knowledge and concepts exams required by state law in grades 3, 4, 8, and 10. This appropriation is also subject to across-the-board reductions.

7. MASTER EDUCATORS AND NATIONAL TEACHER CERTIFICATION REESTIMATE

GPR	$420,900

Governor: Provide $79,900 in 2011-12 and $341,000 in 2012-13 over base level funding of $2,099,600 as a reestimate of payments to teachers who are certified by the National Board for Professional Teaching Standards or certified as a master educator under the state assessment process. The program provides initial grants in an amount equal to the costs of obtaining certification, up to $2,000. For nine consecutive years following the initial grant, DPI awards annual grants of $2,500 to qualifying teachers. In addition, higher grant awards totaling $5,000 are provided to continuing nationally certified or master educators working in schools with at least 60% pupil eligibility for free and reduced-price lunch. The Department is also required by the IRS and State Controller's Office to pay Medicare and Social Security taxes on the grants at 7.65%.

It is estimated that 770 new and continuing educators will qualify for grants in 2011-12, and 858 will qualify in 2012-13. Of the total, approximately 69 educators working in high poverty schools will qualify for higher grant awards for in 2011-12, and 78 will qualify in 2012-13.

8. ENVIRONMENTAL EDUCATION CONSULTANT

	Funding	Positions
SEG	- $237,000	- 1.00

Governor: Delete $118,500 annually and 1.0 position and repeal the appropriation for an environmental education consultant position. Segregated funding is from the normal school fund.

[Bill Sections: 524 and 866]

9. AODA FUNDING REDUCTION

PR	- $137,800

Governor: Reduce funding by $68,900 annually from base level funding of $658,200 for alcohol and other drug abuse state operations, which are supported from penalty assessment funding. Specify that any unencumbered balance on June 30 of each year would revert to the penalty surcharge appropriation under the Department of Justice.

[Bill Section: 523]

10. FEDERAL REVENUE REESTIMATES

FED	- $256,417,200

Governor: Reestimate federal revenues by -$118,580,900 in 2011-12 and -$137,836,300 in 2012-13 for the following: (a) federal aids -- program operations ($2,999,300 in 2011-12 and $3,712,400 in 2012-13); (b) indirect cost reimbursements ($180,500 in 2011-12 and $312,000 in 2012-13); (c) federal aids -- local aid ($49,926,900 annually); (d) federal aid -- economic stimulus funds (-$174,000,000 in 2011-12 and -$194,100,000 in 2012-13); (e) federal funds -- local assistance ($92,200 annually); and (f) federal funds -- individuals and organizations ($2,220,200 annually).

11. PROGRAM REVENUE REESTIMATES

PR	$1,676,900

Governor: Reestimate PR expenditures by $737,600 in 2011-12 and $939,300 in 2012-13 for the following: (a) Milwaukee parental choice program financial audits ($16,100 in 2011-12 and $18,200 in 2012-13); (b) publications (-$31,400 annually); (c) state agency library processing center (-$8,300 annually); (d) general educational development and high school graduation equivalency ($14,800 in 2011-12 and $14,400 in 2012-13); (e) data processing ($700,000 in 2011-12 and $900,000 in 2012-13); (f) funds transferred from other state agencies -- program operations ($150,100 annually); (g) library products and services (-$70,000 annually); (h) program for the deaf and center for the blind -- pupil transportation (-$297,200 annually); (i) program for the deaf and center for the blind -- leasing of space (-$10,000 annually); (j) program for the deaf and center for the blind -- services (-$30,000 annually); and (k) funds transferred from other state agencies -- local aids ($303,500 annually).

12. FUEL AND UTILITIES REESTIMATE

GPR	- $89,900

Governor: Delete $67,500 in 2011-12 and $22,400 in 2012-13 to reflect estimated costs for fuel and utilities for the state residential schools. Base level funding is $716,100.

13. DEBT SERVICE REESTIMATE

GPR	$77,600

Governor: Provide $55,800 in 2011-12 and $21,800 in 2012-13 as a reestimate of debt service payments. Base level funding is $900,100.

14. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $660,000

Governor: Decrease funding $690,300 in 2011-12 and increase funding by $30,300 in 2012-13 to reflect the changes to estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (See "Building Commission" for additional information regarding this provision.)

15. UNCLASSIFIED POSITION AUTHORITY

	Positions
FED	- 0.40
PR	0.40
Net	0.00

Governor: Transfer 0.4 unclassified position authority from federal funding to program revenue-service funding. This item would reduce 0.2 position from the federal aids--program operations and 0.2 position from the indirect cost reimbursements appropriations, and transfer those positions to the personnel licensure and data processing appropriations. The transfers would allow the positions' funding to reflect the work each division administrator is currently performing.

16. SERVICES FOR DRIVERS POSITIONS

	Positions
PR	0.30

Governor: Provide 0.30 position in the services for drivers appropriation for traffic safety education. DPI requested position authority with no additional funding because current spending authority within the appropriation was adequate. This appropriation is subject to across-the-board reductions.

17. MAINTENANCE OF EFFORT REQUIREMENT FOR PUBLIC LIBRARY SYSTEM MEMBERSHIP

Governor: Repeal the current law requirements under the statutory standards to be met by public library systems, that each county maintain its support for public library services at a level not lower than the average of the previous three years. Eliminate related provisions governing the calculation of that three-year average for a city, village, town or school district that gains an exemption from the county tax under a separate section of the statutes. Delete the provision that requires DPI to adjust the three-year average in any year, as necessary, to reflect cost savings realized as a result of consolidation or sharing of library services, under certain conditions. Repeal the requirement that a library receive funding from its governing body not less than the average of the previous three years in order to retain membership in a public library system. Each county proposed to be included within a public library system would continue to be required, as under current law, to demonstrate to the satisfaction of DPI its ability to provide adequate funding for libraries in order to implement a plan for library services.

[Bill Sections: 1171 thru 1176]

18. DELETE INACTIVE APPROPRIATIONS

Governor: Delete the appropriation for hospitalization of pupils attending the Wisconsin Educational Services Program for the Deaf and Hard of Hearing and the Wisconsin Center for the Blind and Visually Impaired. Also delete the appropriation for an administrative leadership academy for mid-career school district administrators and principals, and the related statutory language. In its agency biennial budget request, DPI requested that both appropriations, and related statutory language, be repealed, as they have been inactive for several years.

The bill retains current language that authorizes the State Superintendent to apply for admission to UW Hospital and Clinics of any pupil enrolled at the state residential schools. The bill repeals language that authorizes the State Superintendent to pay for such hospital treatment.

Delete appropriations for the following categorical aids: (a) school district grants; (b) Global Academy; and (c) distance learning. All three were created under 2009 Act 28 as one-time grants for the 2009-10 school year.

[Bill Sections: 521, 522, 530, 535, 536, 2453, and 2458 thru 2460]

PUBLIC SERVICE COMMISSION

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
FED	$291,000	$588,000	$588,000	$594,000	102.1%	5.00	5.00	5.00	0.00	0.0%
PR	18,202,900	16,834,800	16,834,800	- 2,736,200	- 7.5	156.00	141.00	141.00	- 15.00	- 9.6
SEG	6,558,300	6,559,100	6,559,100	1,600	0.0	6.00	5.00	5.00	- 1.00	- 16.7
TOTAL	$25,052,200	$23,981,900	$23,981,900	- $2,140,600	- 4.3%	167.00	151.00	151.00	- 16.00	- 9.6%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
FED	$637,800	0.00
PR	658,100	- 1.00
SEG	218,000	0.00
Total	$1,513,900	- 1.00

Governor: Provide standard budget adjustments totaling $318,900 FED and $109,000 SEG annually, and $340,600 PR in 2011-12 and $317,500 PR and -1.0 PR position in 2012-13. Adjustments are for: (a) turnover reduction (-$274,900 PR annually); (b) removing noncontinuing elements from the base (-$23,100 PR and -1.0 PR position in 2012-13); (c) full funding of continuing salaries and fringe benefits ($318,900 FED, $597,900 PR, and $109,000 SEG annually); and (d) full funding of lease costs and directed moves ($17,600 PR annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

FED	- $43,800
PR	- 1,544,800
SEG	- 56,400
Total	- $1,645,000

Governor: Delete $822,500 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $21,900 FED, $772,400 PR, and $28,200 SEG. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
PR	- $1,848,400	- 15.00
SEG	- 160,000	- 1.00
Total	- $2,008,400	- 16.00

Governor: Delete $1,004,200 (all funds) and 16.00 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $924,200 PR and 15.00 PR positions, and $80,000 SEG and 1.00 SEG positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. FUNDING REDUCTIONS

PR	- $24,200

Governor: Delete $12,100 PR annually to reduce funding for supplies and services in the stray voltage program appropriation.

5. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 3.0 PR classified positions and provide 3.0 PR unclassified positions under the PSC's utility regulation appropriation.

Under 2011 Act 10, 38 classified positions were transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) would be moved from classified to unclassified service within specified agencies. The revised unclassified positions would be renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions would be at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of Act 10 in regards to the transfer of classified positions to unclassified positions as recommended by the Governor.

6. OFFICE OF THE COMMISSIONER OF RAILROADS PROJECT POSITION CONVERSION

	Funding	Positions
PR	$23,100	1.00

Governor: Provide $23,100 and 1.00 position in 2012-13 to reflect the conversion of an agency liaison project position, which expires on March 31, 2013, to a permanent policy advisor position. The fiscal effect of this item reflects the restoration of funding and a position deleted under standard budget adjustments (removal of noncontinuing elements) upon the expiration of the project position. Total base salary and fringe benefit funding for the position is $92,400.

7. AUDIT OF UNIVERSAL SERVICE FUND PROGRAMS

Governor: Require the Legislative Audit Bureau (LAB) to annually prepare a financial and performance evaluation audit of at least one program funded by the universal service fund (USF) by June 30 of each year. Direct the LAB to file copies of the audit report with the Chief Clerk of each house of the Legislature, the Governor, DOA, the Legislative Reference Bureau, the Joint Committee on Finance, the Legislative Fiscal Bureau, and the Public Service Commission (PSC). The USF was established to ensure that all state residents receive essential telecommunications capabilities, such as the internet. The USF supports 14 programs, eight of which are administered by the PSC. Current law requires the PSC to obtain an annual independent audit of the USF, and the LAB has performed that function at the request of the Commission.

[Bill Section: 69]

REVENUE

Budget Summary						FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$95,648,700	$91,107,800	$91,107,800	- $9,081,800	- 4.7%	892.73	848.28	848.28	- 44.45	- 5.0%
PR	14,838,500	14,146,300	13,940,000	- 1,590,700	- 5.4	106.50	87.10	87.10	- 19.40	- 18.2
SEG	70,099,400	68,471,500	68,441,700	- 3,285,600	- 2.3	115.20	100.70	100.70	- 14.50	- 12.6
TOTAL	$180,586,600	$173,725,600	$173,489,500	- $13,958,100	- 3.9%	1,114.43	1,036.08	1,036.08	- 78.35	- 7.0%

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$5,825,400	0.00
PR	726,700	- 7.00
SEG	949,600	0.00
Total	$7,501,700	- 7.00

Governor: Provide adjustments of $2,912,700 GPR, $474,800 SEG, and -7.00 PR positions annually, and $466,500 PR in 2011-12 and $260,200 PR in 2012-13 as standard budget adjustments. Adjustments are for: (a) turnover reduction (-$1,428,400 GPR and -$122,800 SEG annually); (b) removing non-continuing elements from the base (-$206,300 PR and -7.0 PR positions in 2011-12, and -$412,600 PR and -7.0 PR positions in 2012-13); (c) full funding of continuing position salaries and fringe benefits ($4,451,800 GPR, $672,600 PR, and $637,900 SEG annually); (d) full funding of lease and directed moves costs (-$110,700 GPR, $200 PR, and -$40,300 SEG annually); and (e) minor transfers within the same alpha appropriation.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $7,651,400
PR	- 804,400
SEG	- 891,000
Total	- $9,346,800

Governor: Delete $4,673,400 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $3,825,700 GPR, $402,200 PR, and $445,500 SEG. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $4,941,800	- 44.45
PR	- 1,145,000	- 12.40
SEG	- 1,671,200	- 14.50
Total	- $7,758,000	- 71.35

Governor: Delete $3,879,000 (all funds) and 71.35 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $2,470,900 GPR and 44.45 GPR positions, $572,500 PR and 12.40 PR positions, and $835,600 SEG and 14.50 SEG positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. FUNDING REDUCTIONS

GPR	- $2,204,800
PR	- 510,800
Total	- $2,715,600

Governor: Delete $1,102,400 GPR and $255,400 PR annually to reduce funding for supplies and services, and certain funding for permanent property and unallotted reserve, in the following appropriations: collection of state taxes, general program operations; administration of the county sales tax; business tax registration; debt collection; administration of liquor tax and alcohol beverages enforcement; collections by the department; collections from the financial records matching program; administration of income tax voluntary check-offs; state and local finance, general program operations; manufacturing property assessment; municipal finance report compliance; reassessments; administrative services and space rental, general program operations; expert professional services; services; and reciprocity agreement and publications (Minnesota).

5. MINOR TRANSFERS BETWEEN APPROPRIATIONS

GPR	- $109,200
PR	112,800
SEG	- 3,600
Total	$0

Governor: Delete $54,600 GPR and $1,800 SEG annually, and provide $56,400 PR annually to reflect: (a) adjusting space rental budgets for estimated costs in the next biennium; (b) realigning positions and funding to the correct program and appropriation; and (c) realigning budget authority between appropriations for proper accounting of costs for the Department's integrated tax processing system (WINPAS) and Financial Data Matching program.

6. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 2.55 GPR and 0.45 SEG classified positions and provide 2.0 GPR and 0.45 SEG unclassified positions under DOR's administrative services, general program operations and lottery, general program operations appropriations.

Under 2011 Act 10, 38 classified positions were transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) would be moved from classified to unclassified service within specified agencies. The revised unclassified positions would be renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions would be at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of Act 10 in regards to the transfer of classified positions to unclassified positions as recommended by the Governor.

Tax Administration

1. CIGARETTE TAX STAMPS FUNDING INCREASE

PR	$30,000

Governor: Provide expenditure authority of $15,000 annually to fund printing and shipping costs for cigarette tax stamps.

Wisconsin imposes an excise tax (generally $2.52 per pack) on the sale of cigarettes. The tax is paid through the purchase of tax stamps from the Department of Revenue (DOR), typically by a manufacturer or distributor. The tax stamp must be affixed to each pack of cigarettes prior to its first sale in the state. Manufacturers and distributors receive a 0.7% discount on stamp purchases (or tax payments) as compensation for their administrative costs. Manufacturers and distributors are also charged by DOR for the costs of printing and shipping the stamps. Amounts collected by the Department are placed in a separate program revenue appropriation used to fund the printing and shipping costs.

Lottery Administration

1. LOTTERY SALES PROJECTIONS

Governor: Project lottery sales of $480,385,700 in 2011-12 and $480,056,700 in 2012-13. Projected lottery sales provide the basis for estimating the lottery property tax credit in the next biennium. In addition, the projected sales directly affect appropriations for retailer compensation and lottery vendor fees. The following table shows these projections, as well as 2009-10 actual lottery sales and 2010-11 estimated sales projected in October, 2010, for the purposes of certifying the amount available for the 2010(11) lottery property tax credit. The Governor's 2011-13 projected sales are based on sales models utilized by DOR to estimate both on-line and instant ticket games.

Lottery Sales Projections
($ in Millions)

Game Type	Actual 2009-10	2010-11	2011-12	Percent Change from 2010-11	2012-13	Percent Change from 2011-12
Scratch	$269.3	$270.6	$270.6	0.0%	$270.6	0.0%
Pull-tab	3.9	4.0	4.0	0.0	4.0	0.0
Lotto	207.7	205.5	205.8	0.2	205.5	-0.2
Total	$480.9	$480.1	$480.4	0.1%	$480.1	-0.1%

2. SUM SUFFICIENT APPROPRIATIONS FOR RETAILER COMPENSATION AND VENDOR FEES

SEG	- $1,669,400

Governor: Reduce funding by $819,800 in 2011-12 and $849,600 in 2012-13 to reestimate lottery sum sufficient appropriations for retailer compensation and vendor fees, as follows:

Retailer Compensation. Provide $136,700 in 2011-12 and $115,300 in 2012-13 to adjust base-level funding for retailer compensation, including payments to retailers under the retailer performance program, to reflect projected lottery sales in the 2011-13 biennium.

Basic retailer compensation rates under current law are 5.5% for lotto ticket sales and 6.25% for instant ticket sales. In addition, the retailer performance program provides an amount of up to 1% of for-profit sales as incentive payments to retailers (estimated at $4.8 million in both 2011-12 and 2012-13, under the bill). Base level funding of $33,607,800, established under 2009 Act 28, was based on estimated lottery sales of $478.7 million in 2010-11. The lottery sales projections of $480.4 million in 2011-12 and $480.1 million in 2012-13 result in the increases to retailer compensation funding.

Vendor Fees. Reduce funding by $956,500 in 2011-12 and $964,900 in 2012-13 to adjust base-level funding for vendor fees to reflect projected lottery sales in the 2011-13 biennium and a lump-sum reduction in fees ($1.0 million annually) from the vendor that took effect in 2009-10. Base level funding for vendor fees is $12,158,300.

Vendor fees are paid under a major procurement contract for the provision of data processing services relating to both lotto and instant lottery games. The fees are calculated on the basis of a percentage of total ticket sales. Under the bill, vendor fees would total 2.3% of lottery ticket sales in both 2011-12 and 2012-13.

3. LOTTERY FUND CONDITION STATEMENT

Governor: The total revenue available for tax relief, minus a statutory reserve (2% of gross revenue), the amount appropriated for the lottery fund school levy tax credit, and lottery and gaming credit late applications payments, determines the amount available for the lottery and gaming tax credit. The following fund condition statement provides information on operating revenues, appropriated amounts for expenditures, estimates of interest earnings and gaming-related revenue, and the amounts available for tax relief credits under the bill. The bill would appropriate $117,478,300 in 2011-12 and $118,870,400 in 2012-13 for the lottery and gaming tax credit. [Due to a larger than anticipated opening balance, the certified amount of the lottery and gaming tax credit in 2010-11 is $131,596,100.]

	2011-12	2012-13
Fiscal Year Opening Balance	$9,605,100	$9,611,700
Operating Revenues		
Ticket Sales	$480,385,700	$480,056,700
Retailer Fees and Miscellaneous	198,500	239,600
Gross Revenues	$480,584,200	$480,296,300
Expenditures		
Prizes	$281,799,100	$281,633,300
Retailer Compensation	33,744,500	33,723,100
Vendor Payments	11,201,800	11,193,400
General Program Operations	21,221,300	21,221,300
Appropriation to DOJ	373,100	373,100
Appropriation to DOR	276,900	276,900
Miscellaneous Expenses	26,200	26,200
Program Reserves	154,700	310,800
Total Expenditures	$348,797,600	$348,758,100
Net Proceeds	$131,786,600	$131,538,200
Interest Earnings	$502,300	$2,130,700
Gaming-Related Revenue	$192,900	$192,900
Total Available for Tax Relief *	$142,086,900	$143,473,500
Appropriations for Tax Relief		
Lottery and Gaming Tax Credit	$117,478,300	$118,870,400
School Levy Tax Credit (Lottery Fund)	14,850,000	14,850,000
Late Lottery and Gaming Credit Applications	147,000	147,000
Total Appropriations for Tax Relief	$132,475,300	$133,867,400
Gross Closing Balance	$9,611,700	$9,605,900
Reserve (2% of Gross Revenues)	$9,611,700	$9,605,900
Net Closing Balance	$0	$0

* Opening balance, net proceeds, interest earnings and gaming-related revenue.

[Bill Section: 371]

SAFETY AND PROFESSIONAL SERVICES

Budget Summary						FTE Positiou Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$0	$2,873,100	$2,873,100	$5,746,200	N.A.	0.00	4.00	4.00	4.00	N.A.
FED	0	2,344,600	2,344,600	4,689,200	N.A.	0.00	21.60	21.60	21.60	N.A.
PR	13,746,500	49,034,500	49,034,500	70,576,000	256.7%	122.32	285.70	285.70	163.38	133.6%
SEG	0	13,938,600	13,938,600	27,877,200	N.A.	0.00	68.30	68.30	68.30	N.A.
TOTAL	$13,746,500	$68,190,800	$68,190,800	$108,888,600	396.1%	122.32	379.60	379.60	257.28	210.3%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$1,594,200

Governor: Provide $797,100 annually for standard budget adjustments as follows: (a) turnover reductions (-$145,200 annually); (b) full funding of continuing salaries and fringe benefits ($864,800 annually); and (c) full funding of lease costs and directed moves ($77,500 annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

PR	- $1,058,200

Governor: Delete $529,100 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

PR	- $919,400

Governor: Reduce funding by $459,700 annually associated with a 10% reduction to supplies and other non-personnel costs.

4. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
PR	- $257,800	- 2.75

Governor: Delete $128,900 and 2.75 positions annually to reflect the elimination of long-term vacant positions under the bill. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

5. TRANSFERS OF FUNCTIONS FROM OTHER AGENCIES

	Funding	Positions
GPR	$5,746,200	4.00
FED	4,021,800	18.60
PR	70,982,400	164.00
SEG	27,877,200	68.30
Total	$108,627,600	254.90

Governor: Provide a total of $2,873,100 GPR, $2,010,900 FED, $35,491,200 PR, and $13,938,600 SEG and 4.0 GPR, 18.6 FED, 164.0 PR, and 68.3 SEG positions annually related to the transferring functions, duties, and personnel, as listed below to the Department of Regulation and Licensing (DRL), which would be renamed the Department of Safety and Professional Services (DSPS).

Under the bill, funding and personnel transferred from the Department of Commerce (Commerce) and the Department of Administration would be provided to three subprograms in DSPS, as follows: (a) $535,500 GPR, $242,300 FED, and $3,786,000 PR and 4.0 GPR, 3.0 FED, and 28.0 PR annually for Professional Regulation and Administrative Services; (b) $2,338,600 GPR, $363,900 FED, and $31,591,700 PR and 1.9 FED and 134.64 PR positions annually for Safety and Buildings; and (c) $1,404,700 FED, $113,500 PR, and $ 13,938,600 SEG and 13.7 FED, 1.36 PR, and 68.3 SEG positions annually for Environmental and Regulatory Services.

Department of Regulation and Licensing

Rename the Department of Regulation and Licensing as the Department of Safety and Professional Services (DSPS). The authority, duties, attached boards and councils, and personnel of DRL would become authority, duties, attached boards and councils, and personnel of DSPS.

Specify that DSPS could have seven division administrators and 10 bureau directors. Under current law, DRL may have four division administrators and five bureau directors.

Transfer of Department of Commerce Functions. Modify statutory provisions related to activities currently performed by Commerce as follows:

Under current law, real estate brokers must establish an interest-bearing real estate trust accounts to hold client funds. The Department of Commerce and DRL (renamed as DSPS under the bill) may examine and audit these accounts and establish rules regarding the interest bearing accounts. Under the bill, the Commerce authority would be transferred to the Wisconsin Housing and Economic Development Authority (WHEDA).

Under the bill, WHEDA rather than Commerce would receive interest earnings (minus any service charges or fees) accruing from these accounts.

Statutory language relating to charges and deductions that may or may not be assessed by financial institutions on interest-bearing real estate trust accounts would become the authority of WHEDA rather than Commerce.

Department of Commerce

Division of Environmental Regulatory Services and Division of Safety and Buildings. Provide $49,557,000 and 217.9 positions all funds, including $2,338,600 GPR, $1,768,600 FED, 15.6 FED positions, $31,705,200 PR, 136.0 PR positions, $13,744,600 SEG and 66.3 SEG positions annually and transfer the Division of Safety and Buildings and Division of Environmental Regulatory Services from Commerce to DSPS. [See the entry under "Commerce" for a description of the transferred programs and funding.]

Economic Development Functions and Executive and Administrative Services Personnel. Provide $4,756,800 and 36.0 positions all funds, including $534,500 GPR, 4.0 GPR positions, $242,300 FED, 3.0 FED positions, $3,786,000 PR, 27.0 PR positions, $194,000 SEG and 2.0 SEG positions to transfer certain economic development functions and executive and administrative services personnel from Commerce to DSPS. The transfer would include: (a) administration of the Women's Business Initiative Corporation grant program ($99,000 GPR annually); (b) administration of the minority, woman-owned, and disabled veteran-owned certification programs ($31,500 PR annually); (c) administration of small business innovation research assistance grants, funded through the transfer of the minority business projects; repayments appropriation ($510,500 PR annually); (d) the brownfields redevelopment activities appropriation ($194,000 SEG and 2.0 SEG positions annually); (e) administrative services funding and position authority ($435,500 GPR, 4.0 GPR positions, $242,300 FED, 3.0 FED positions; $3,244,000 PR, and 27.0 PR positions annually); and (f) the state Relocation Unit. [See the entry under "Commerce" for a description of the transferred programs and funding.]

Department of Natural Resources

Erosion Control. Transfer from the Department of Natural Resources (DNR) to DSPS requirements to establish standards for erosion control at construction sites of public buildings and buildings that are places of employment (commercial buildings). Provide DSPS authority to delegate to municipalities any responsibilities for commercial construction site erosion control standards. Specify that all DNR rules and orders relating to commercial construction site erosion control, and in effect on the bill's effective date, remain in effect until modified or repealed by DSPS. Transfer from DNR to DSPS, beginning on the bill's effective date, all pending matters related to commercial construction site erosion control. [See the entry under "Natural Resources" for a description of the transferred programs.]

Department of Agriculture, Trade and Consumer Protection

Commercial Erosion. Transfer to DSPS from the Department of Agriculture, Trade and Consumer Protection (DATCP) the authority to issue orders and promulgate rules related to: (a) remodeling or otherwise improving residential or noncommercial property; (b) basement waterproofing; (c) real estate advertising; (d) sales of mobile homes and renting mobile-home sites; and (e) renting residential dwelling units and mobile homes. Specify that DATCP rules and orders related to these subjects, and in effect on the bill's effective date, remain in effect until modified or repealed by DSPS. See the entry under "Agriculture, Trade and Consumer Protection" for a description of the transferred programs.

Department of Administration

Provide 1.0 PR position annually and transfer $62,400 PR from supplies to permanent salary and fringe benefits in the DSPS general operations appropriation for human resources and payroll services in DSPS. The position authority would be transferred from DOA. However, the bill does not provide specific protections for personnel currently holding this position. [See the entry under "Administration -- Transfers" for a description of the transferred personnel and funding.]

[Bill Sections: 89, 91, 109, 129 thru 148, 150 thru 166, 494, 495, 808, 815, 1311, 1312, 1334 thru 1337, 1340, 1459, 1628 thru 1640, 1656 thru 1659, 1661, 1666, 1668, 2136 thru 2144, 2395 thru 2397, 2403, 2477, 2647, 2666 thru 2669, 2671, 2672, 2678, 2686, 2697, 2698, 2719, 2756, 2757, 2760, 2879, 3195 thru 3199, 3201, 3203 thru 3206, 3209, 3210, 3212, 3266 thru 3275, 3281, 3471, 3503, 3527, 3528, 3532, and 3541]

6. TRANSFER STATE APPROVING AGENCY FUNCTIONS FROM VETERANS AFFAIRS

	Funding	Positions
FED	$667,400	3.00

Governor: Provide $333,700 FED and 3.0 FED positions annually related to the transfer of state academic institution and education program approving agency functions for veterans benefits from the Department of Veterans Affairs (DVA). Funding would include $192,200 FED for salary and fringe benefits, $76,300 FED for fringe benefits and $65,200 FED for supplies and services annually.

Under the bill, a total of $336,000 FED and 3.0 FED positions and $74,400 SEG and 1.0 SEG position annually would be deleted from the DVA.

Currently, DVA operates as the state approval agency through a contract with the federal Department of Veterans Affairs. The state approval agency is responsible for meeting federal requirements for evaluating, approving, and monitoring of academic institutions and programs that are potentially eligible to receive funding from the Montgomery GI Bill. The Governor may designate the following programs as "veteran's education" under the state approval agency functions: (a) on-the job training and apprenticeship training programs at the Department of Workforce Development; (b) on-the-farm training programs at the Wisconsin Technical College System; and (c) funeral directors apprentices of the Funeral Directors Examining Board. These duties would be transferred.

As a technical modification, correct a current reference to the definition of tribal school (current statutes misnumber the referenced section).

Nonstatutory Provisions. Specify that the assets, liabilities and tangible property of DVA primarily related to the state approval agency, as determined by the DOA Secretary, would become assets, liabilities and tangible property of Department of Safety and Professional

Services (DSPS) on the effective date of the bill.

Specify that all pending matters of DVA primarily related to the state approval agency, as determined by the DOA Secretary, would become pending matters of DSPS on the effective date of the bill. Materials submitted to or actions taken by DVA related to these programs would be considered to or taken by DOA.

All contracts entered into by the DVA related to the state approval agency, on the effective date of the bill, would become contracts of DSPS, as determined by the DOA Secretary. The DSPS would be responsible for carrying out the obligations of these contacts unless modified or rescinded by DSPS, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by the DVA primarily related to the state approval agency, as determined by the DOA Secretary, would remain in effect until the expiration date of the rule or until amended or repealed by DSPS. All orders issued by the DVA related to the state approval agency, as determined by the DOA Secretary, would remain in effect until the end of their effective date or until modified or rescinded by DSPS.

Specify that the DOA Secretary would identify positions to transfer. The transferred individuals would retain their earned rights and status under the state employment relations laws. Any person transferred would not be required to go through a probationary period, if they had already obtained permanent status.

[Bill Sections: 1237 thru 1239, 1244 thru 1248, and 9153(1)]

7. LAPSES OF PROGRAM REVENUE BALANCES

Governor: Modify the program revenue appropriations for the Medical Examining Board operations and the general agency operations to specify that unencumbered balances that are in excess of 10% of the expenditures made from those appropriations in the previous year would be lapsed to the general fund. Specify that fines and forfeitures would not be considered part of the received revenue.

[Bill Sections: 496 and 497]

8. CREATE REAL ESTATE EXAMINING BOARD

Governor: Delete the current Real Estate Board (REB) and create a Real Estate Examining Board (REEB). Specify that the REEB, rather than DRL, would be responsible for granting credentials, creating rules, and enforcing credential requirements for real estate brokers, salespersons, and business entities and timeshare salespersons as described below.

Delete Real Estate Board. Under current law there is a Real Estate Board in DRL, consisting of seven members appointed by the Governor to staggered four-year terms. Four of the members are real estate brokers or salespersons licensed by the Department, the remaining three are members of the public. Board members are entitled to a reimbursement of expenses of

$25 per day. The Board and the related duties would be deleted under the bill.

Creation of a Real Estate Examining Board. Create a seven member REEB appointed by the Governor to staggered four-year terms. Specify that five of the members would be real estate brokers or salespersons licensed by the Department and two would be members of the public. Specify that no members would be allowed to serve more than two terms.

Transfer of Current Duties. Specify that the REEB would be responsible for issuance, denial, suspension and reinstatement of credentials to the following professions: (a) real estate brokers; (b) real estate business entities; (c) real estate salespersons; and (d) timeshare salespersons. These professions would be required to submit applications prescribed by REEB rather than the Department.

The Examining Board would become responsible for the following duties relating to timeshare salespersons: (a) specifying information that must be provided in order to determine competency in timeshare sales; (b) approving the form in which timeshare transactions may be made; and (c) approving applications for the transfer of timeshare salespersons from one licensed broker to another.

The Examining Board would become responsible for the following duties relating to real estate brokers and salespersons: (a) insuring that licenses are only granted to individuals that are competent to transact such a business; (b) advising the Secretary of the Department on matters relating to real estate practice; (c) conducting public hearings on forms used in real estate practice; (d) in consultation with the Council on Real Estate Curriculum and Examinations, promulgating rules that establish educational and training for the real estate professions; (e) in consultation with the Council on Real Estate Curriculum and Examinations, examining and grading credential applicants; (f) approving continuing education programs and courses; (g) in preparing a form for the offer to purchase a certain commercial real estate property, requiring the sales form include a statement from the seller acknowledging that the property is not an historical building; (h) preparing notices and bulletins and conducting clinics for the dissemination of information to licensees; (i) entering reciprocal agreements with other states and territories for the licensing of these professions; (j) specifying information that must be provided in order to determine competency in the profession; (k) ensuring that applicants have completed the required educational programs and meet statutory requirements for the profession; (l) except in the case of reciprocal licenses, ensuring that a broker applicant passes both the salesperson and broker examinations; (m) establishing rules for real estate salesperson apprentices; (n) approving applications for the transfer of real estate salespersons from one licensed broker to another; and (o) receiving irrevocable consent forms from nonresident credential holders that specify that the legal actions may be commenced against them if a cause for action arises.

Under current law, a real estate credential applicant (any of the related professions) may provide evidence of continued education upon proof of attendance at approved continuing education classes, or by passing the examination given for their profession. Under the bill, REEB would conduct that examination. The Examining Board would also be allowed to register applicants as "inactive licensees" if requested by a credential holder in good standing. These inactive licensees could request to REEB the reinstatement of their full credentials upon paying required fees and completing examination and credential requirements. The Examining Board would become responsible for promulgating rules that specified educational requirements for persons seeking reinstatement.

The Examining Board would become responsible for promulgating rules on the following: (a) guiding the real estate profession and defining professional conduct and unethical practice; and (b) specifying the supervisory duties of real estate brokers to their employees.

Under current law, DRL must, under its own determination or upon motion of REB, conduct investigations. If credible information is provided to DRL, regarding potential violations of statutes regulating real estate professions, DRL may hold hearings and make findings. Currently, the Department must present findings to REB for consideration. The Department may commence disciplinary proceedings. An investigation cannot be closed without a motion from REB. Under the bill, REEB would be required to take such actions based on its own determination or upon motion of the agency Secretary. Under the bill, evidence could be provided to either the Department or to REEB. The Examining Board would become responsible for commencing disciplinary actions. Newly specify that such disciplinary proceeding could occur because of violations of administrative rules as well as statutory requirements of the real estate professions.

Delete the following current law requirements in regards to promulgating administrative rules: (a) a requirement that DRL submit proposed rules to REB for review and comments; (b) a requirement that DRL provide copies of rules to REB before official publication; (c) the ability of the REB to provide a co-chair to proposed rule public hearings; (d) the ability to file dissenting opinions to the Legislature regarding DRL's final proposals for rules; (e) a requirement that DRL provide staff assisting REB with the review of rules; and (f) the ability of REB to petition DRL for adoption, amendment, or repeal of a rule.

The Examining Board would have to maintain a register of brokers and salespersons that have had their licenses revoked within the previous two years.

Currently, information provided by the DRL Secretary, or the Secretary's designee, regarding the license status of an individual is taken as prima facie (considered to be truthful unless disproved by other evidence) evidence for the purpose of actions or proceedings concerning an individual. Under the bill, this evidence could be provided by the chair of REEB or the chair's designee.

Specify that REEB rather than REB would provide a member for the Council on Real Estate Curriculum and Examinations. The Department's rules defining uniform investigation of complaints and commencement of disciplinary proceedings would apply to REEB rather than REB. Prior to introduction, the Secretary of the Department would submit information to REEB rather than REB on proposed legislation proposed by the Department that relates to real estate professions.

Nonstatutory Provisions. The administrative rules promulgated by DRL relating to real estate professions would remain in effect until the expiration date of the rule or until amended or repealed by REEB. All orders issued by DRL related to real estate professions would remain in effect until the end of their effective date or until modified or rescinded by REEB.

Any matter pending with DRL of the effective date of the bill, which is primarily related to real estate professions, as determined by the Secretary of DRL, regarding an action, would be transferred to REEB. All materials submitted to DRL, relating to real estate professions, would be considered as submitted REEB. All actions taken by DRL, relating to real estate professions, would be considered actions of REEB. All contracts entered into by DRL that are primarily related to real estate professions would remain in effect and would be transferred to REEB. The Examining Board would be required to carry out obligations of the contract until the contract is modified or rescinded to the extent allowed under the contract.

The initial appointments of REEB would be as follows: (a) one licensed real estate broker or salesperson and one public member whose terms would expire on July 1, 2012; (b) one licensed real estate broker or salesperson and one public member whose terms would expire on July 1, 2013; and (c) three licensed real estate brokers or salespersons whose terms would expire on July 1, 2014

[Bill Sections: 86 thru 90, 149, 150, 163, 3199, 3202, 3207, 3208, 3217 thru 3257, 3259 thru 3265, 3276 thru 3280, and 9140(1) thru (4)]

9. REAL ESTATE RENEWAL FEE TRANSFER TO UW-MADISON

Governor: Require the Department to transfer $10 to the UW-Madison's School of Business from each renewal fee paid for credentials in the following professions: (a) real estate brokers; (b) real estate business entity; (c) real estate salesperson; and (d) timeshare salesperson. Specify that the funding would be used to support the School's Center for Urban Economics.

An estimated $27,600 GPR-Earned and $248,200 PR-Rev biennially would be deducted from the Department revenues and an estimated $275,800 PR biennially would be transferred to UW-Madison. The amounts transferred are not reflected in related appropriations under the bill.

[Bill Sections: 496 and 3258]

10. REAL ESTATE BOARD FUNDING REDUCTIONS

PR	- $10,000

Governor: Delete $5,000 annually from general program operations related to conducting at least two board meeting annually through the Internet (-$3,000 annually) and general unspecified reductions (-$2,000 annually)

11. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 2.0 PR classified positions and provide 2.0 PR unclassified positions under DRL's program operations appropriation.

Under 2011 Wisconsin Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) will be moved from classified to unclassified service within the specified agencies. The revised unclassified positions were renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions are at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of 2010 Wisconsin Act 10 in regards to the transfer of classified positions to unclassified positions.

12. GIFTS AND GRANTS APPROPRIATION

Governor: Create a PR-continuing gifts and grants appropriation. Specify that the Department may use the appropriation for the expenditure of all funds received from the following: (a) gifts, grants, and bequests; (b) other than fines and forfeitures, settlements of actions for violations related to the regulation of credential holders; and (c) fees or other charges for photocopies, generation of copies of documents from electronic storage and other storage media, conferences, sales of publications, sales of lists of credential holders, sales of promotional materials, sales of other materials, other services provided that are incidental to the licensing, rule making, and regulatory functions of the Department.

[Bill Section: 498]

13. SUBSTITUTION OF DRUG EQUIVALENTS AT SKILLED NURSING FACILITIES

Governor: Modify the definition of "practice of pharmacy" related to making therapeutic alternate drug selections to delete the requirement that such selections be: (a) approved by a hospital's medical staff; and (b) be approved for use during a patient's stay within a hospital by the patient's physician or advanced practice nurse prescriber. In addition, allow therapeutic alternate drug selections to be made by a skilled nursing facility or an intermediate care facility for persons with mental retardation, in accordance with such a facility's guidelines or procedures. Delete the requirement for approval of a patient's physician or advanced practice nurse prescriber for the use of therapeutic alternate drug selections.

Under current law, the definition of the practice of pharmacy includes making therapeutic alternate drug selections, if made in accordance with written guidelines or procedures previously established by a pharmacy and therapeutics committee of a hospital and approved by the hospital's medical staff. Use of the therapeutic alternate drug selection for a patient during the period of the patient's stay within the hospital must be approved by the patient's physician or the patient's advanced practice nurse prescriber, if the advanced practice nurse prescriber has entered into a written agreement to collaborate with a physician. These provisions do not currently apply to skilled nursing facilities or intermediate care facilities for persons with mental retardation.

[Bill Sections: 3214 thru 3216]

14. MEDICAL EXAMINING BOARD POSITIONS

	Funding	Positions
PR	$228,000	2.00

Governor: Provide $114,000 and annually to extend 2.0 project positions that were approved under 2009 Act 28. The Legislature approved 2.0 investigator project positions for investigating complaints against medical professions. The Department filled 1.0 project position with an investigator and 1.0 with a paralegal. The Governor's recommendation would extend these positions to the end of the 2011-13 biennium.

The projected positions were scheduled to sunset on June 30, 2011, and should have been removed under standard budget adjustments, but were not removed under that provision.

15. MEDICAL EXAMINING BOARD INVESTIGATOR

	Funding	Positions
PR	$16,800	0.13

Governor: Provide $8,400 and 0.13 position annually for a partial investigator position increase to the medical examining board operations.

SECRETARY OF STATE

Budget Summary						FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
PR	$725,700	$513,600	$513,600	- $424,200	- 29.2%	7.50	4.00	4.00	- 3.50	- 46.7%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$99,000

Governor: Provide adjustments of $49,500 annually for: (a) full funding of continuing position salaries and fringe benefits ($44,700 annually); and (b) full funding of leases and directed moves costs ($4,800 annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

PR	- $56,200

Governor: Delete $28,100 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. FUNDING AND POSITION REDUCTIONS AND TRANSFER OF ADMINISTRATIVE FUNCTIONS TO DOA

	Funding	Positions
PR	- $252,800	- 1.50

Governor: Delete $22,500 annually to reflect a 10% reduction in supplies and services funding and unalloted reserve funding. Delete $103,900, 1.0 accountant position, and 0.5 office associate position annually, and transfer administrative services functions of the Office of the Secretary of State (Office) to the Department of Administration (DOA). In addition, delete the authority for the Secretary of State, as an elected official, to appoint an unclassified stenographer position.

On the effective date of the bill, the assets and liabilities of the Office of the Secretary of State that were primarily related to administrative services, as determined by the Secretary of Administration (Secretary), would become the assets and liabilities of DOA. All tangible personal property, including records, that are primarily related to administrative services, as determined by the Secretary, would become the tangible personal property of DOA. All contracts entered into by the Office in effect, that were primarily related to administrative services, as determined by the Secretary, would remain in effect and be transferred to DOA. DOA would be required to carry out any obligations under a contract until it was modified or rescinded by DOA, to the extent allowed under the contract. Any pending matter with the Office that was primarily related to administrative services, as determined by the Secretary, would be transferred to DOA. All materials submitted to, or actions taken by, the Office with respect to the pending matter would be considered as having been submitted to, or taken by, DOA. All rules promulgated by the Office that were primarily related to administrative services, as determined by the Secretary, would remain in effect until amended or repealed by DOA. All orders issued by the Office that were primarily related to administrative services, as determined by the Secretary, would remain in effect until their specified expiration date, or until modified or rescinded by DOA.

[Bill Sections: 812, 2758, 2764, and 9142(2)]

4. TRANSFERS TO THE DEPARTMENT OF FINANCIAL INSTITUTIONS

	Funding	Positions
PR	- $214,200	- 2.00

Governor: Delete $107,100 PR and 2.0 PR positions annually to reflect the transfer of administrative responsibilities for issuing notary public commissions and registering trademarks, trade-names, and brands to the Department of Financial Institutions (DFI). The bill would transfer $57,000 PR and 1.0 PR position to DFI annually for related administrative responsibilities. In addition, the annual transfer of PR funding from DFI to the Office of the Secretary of State (Office) would be increased from $200,000 to $325,000.

The bill specifies that on its effective date:

a. The assets and liabilities of the Office relating to the Office's trademark or notary functions would become the assets and liabilities of DFI.

b. 1.0 PR position relating to the Office's trademark or notary functions and the incumbent employee, identified by the Secretary of Administration, holding that position would be transferred to DFI.

c. The employee who was transferred would have the same rights and status in DFI that the position enjoyed in the Office, and if the employee transferred had attained a permanent status he or she would not be required to serve a probationary period.

d. The remaining 1.0 PR position of the Office relating to the Office's trademark or notary functions that was not transferred to DFI would be de-authorized.

e. All tangible personal property, including records, of the Office relating to the Office's trademark or notary functions would be transferred to DFI.

f. All contracts entered into by the Office, in effect, relating to the Office's trademark or notary functions, would remain in effect and be transferred to DFI. DFI would be required to carry out these contractual obligations until the contract was modified or rescinded by DFI, to the extent allowed under the contract.

g. Any pending matter related to the Office's trademark or notary functions would be transferred to DFI, and all materials submitted to, or actions taken by, the Office with respect to the pending matter would be considered as having been submitted to, or taken by, DFI.

h. All rules and orders promulgated or issued by the Office relating to the Office's trademark or notary functions would remain in effect until their specified expiration dates, or until amended or repealed by DFI

i. In the case of disagreement between the Office and DFI related to the transfer, DOA would be required to determine the matter, and develop a plan for an orderly transfer.

The Office of the Secretary of State is responsible for issuing notary public commissions, issuing authentications and apostilles, registering trademarks and trade names, recording annexations and charter ordinances of municipalities, publishing state laws, filing oaths of office, and filing deeds for state lands and buildings.

The office issues a certificate of appointment as a notary public to qualified applicants. Generally, a commission is for four years. However, the commission is permanent for persons licensed to practice law. Authentications and apostilles are issued to confirm the notary public, and are typically issued for documents sent to other states or foreign countries.

A person, firm, partnership, corporation, association, or union of workingmen may apply to the Office for state trademark or service mark registration. If application requirements are met, the office issues a certificate of registration of the mark. Generally, the registration is for 10 years. The Office is also required to record beverage brands used on beverage containers. A lodge, fraternal society, or similar organization may register identifying information with the Office, including name, motto, emblem, or other insignia.

Fees charged for services provided are the primary source of funding for the Office. Fees are charged for notary public commissions, certificates of authentication and apostilles, and registration and assignment of trademarks or trade names. The fees range from $10 to $50, depending upon the type of transaction. Specific filing fees include (a) $20 for four-year notary public commissions and renewals; (b) $50 for permanent notary public commissions; (c) $10 for authentication certificates and apostilles; and (d) $15 for trademark and trade name registrations and renewals. In addition, the Office receives an annual transfer of $200,000 from DFI. Fee revenues and transferred funding are placed in a program revenue appropriation and any year-end unencumbered amount in the appropriation balance in excess of 10% of the prior year's expenditures is transferred to the general fund.

[Bill Sections: 490, 754, 2310, 2605 thru 2637, and 9142(1)]

SHARED REVENUE AND TAX RELIEF

Budget Summary by Funding Source

	2010-11 Adjusted Base	Governor's Recommendation 2011-12	Governor's Recommendation 2012-13	Change Over Base Year Doubled Amount	Change Over Base Year Doubled Percent
Direct Aid Payments					
Expenditure Restraint	$58,145,700	$58,145,700	$58,145,700	$0	0.0%
Shared Revenue	46,000,000	47,305,600	48,098,000	3,403,600	3.7
County and Municipal Aid	763,792,400	769,639,300	672,897,900	- 85,047,600	- 5.6
Public Utility Distribution	14,840,000	17,547,200	18,375,200	6,242,400	21.0
State Aid; Tax Exempt Property	76,700,000	81,074,000	84,556,500	12,230,500	8.0
Interest Payments on Overassessments of Manufacturing Property	10,000	10,000	10,000	0	0.0
Payments for Municipal Services	20,649,200	18,584,200	18,584,200	- 4,130,000	- 10.0
Property Tax Credits					
Homestead Tax Credit	127,000,000	132,400,000	133,400,000	11,800,000	4.6
Farmland Preservation Credit	400,000	800,000	600,000	600,000	75.0
Farmland Preservation Credit; 2010 and Beyond	27,007,200	27,007,200	27,007,200	0	0.0
School Levy Tax Credit and First Dollar Credit	877,550,000	882,550,000	882,550,000	10,000,000	0.6
Other Credits					
Claim of Right Credit	100,000	266,000	278,000	344,000	172.0
Jobs Tax Credit	0	0	9,000,000	9,000,000	N.A.
Woody Biomass Harvesting and Processing Credit	900,000	900,000	900,000	0	0.0
Meat Processing Facility Investment Credit	700,000	700,000	700,000	0	0.0
Food Processing Plant and Food Warehouse Investment Credit	1,200,000	700,000	700,000	- 1,000,000	- 41.7
Film Production Company Investment Credit	0	100,000	100,000	200,000	N.A.
Film Production Services Credit	500,000	400,000	400,000	- 200,000	- 20.0
Dairy Manufacturing Facility Investment Credit	657,100	657,100	657,100	0	0.0
Dairy Manufacturing Facility Investment Credit; Dairy Cooperatives	700,000	700,000	700,000	0	0.0
Enterprise Zone Jobs Credit	5,200,000	13,800,000	34,100,000	37,500,000	360.6
Veterans and Surviving Spouses Property Tax Credit	7,600,000	13,600,000	15,700,000	14,100,000	92.8
Beginning Farmer and Farm Asset Owner Tax Credit	0	860,500	1,200,000	2,060,500	N.A.
Cigarette and Tobacco Products Tax Refunds	43,000,000	47,500,000	50,000,000	11,500,000	13.4
Earned Income Tax Credit	123,835,800	72,935,800	73,135,800	- 101,600,000	- 41.0
GPR TOTAL	$2,196,487,400	$2,188,182,600	$2,131,795,600	- $72,996,600	- 1.7%
Other Credits					
Earned Income Tax Credit; Temporary Assistance for Needy Families	$6,664,200	$43,664,200	$43,664,200	$74,000,000	555.2%
PR TOTAL	$6,664,200	$43,664,200	$43,664,200	$74,000,000	555.2%
Direct Aid Payments					
County and Municipal Aid Account; Police and Fire Protection Fund	$61,033,400	$55,186,500	$55,927,900	- $10,952,400	- 9.0%
Property Tax Credits					
Lottery and Gaming Credit	117,957,000	117,478,300	118,870,400	434,700	0.2
School Levy Tax Credit; Lottery Fund	14,850,000	14,850,000	14,850,000	0	0.0
Lottery and Gaming Credit; Late Applications	360,000	147,000	147,000	- 426,000	- 59.2
SEG TOTAL	$194,200,400	$187,661,800	$189,795,300	- $10,943,700	- 2.8%
TOTAL	$2,397,352,000	$2,419,508,600	$2,365,255,100	- $9,940,300	- 0.2%

Direct Aid Payments

1. COUNTY AND MUNICIPAL AID -- CURRENT LAW FUNDING REESTIMATE

GPR	$10,952,400
SEG	- 10,952,400
Total	$0

Governor: Reduce funding by $5,846,900 SEG in 2011-12 and $5,105,500 SEG in 2012-13 for the county and municipal aid program to reflect a reestimate of the police and fire protection fund appropriation for the program, and provide a corresponding increase of $5,846,900 GPR in 2011-12 and $5,105,500 GPR in 2012-13 from the county and municipal aid account of the general fund to offset this reduction. Under current law, the total amount distributed under the county and municipal aid program is established by statute. The funding for making the aid payments is provided from three sources: (a) $5,000,000 annually from the medical assistance program to reimburse municipalities and counties for the provision of transportation for medical care by those local governments (which has the effect of reducing the aid payment for those local governments by an equal amount); (b) revenues generated by the police and fire protection fee (a $0.75 monthly fee on retail wireless phone plans) that is deposited in the police and fire protection fund; and (c) a sum sufficient amount from the general fund (county and municipal aid account) to provide the balance of payments. This item reflects a reduction in the estimate of the police and fire protection fund revenues, to $55,186,500 in 2011-12 and $55,927,900 in 2012-13, which would have the effect of increasing the GPR appropriation from the county and municipal aid account to $769,639,300 in 2011-12 and $768,897,900 in 2012-13. A separate item, summarized below, would decrease the total distribution of aid payments under the program for 2012 by $96,000,00, which would have the effect of reducing the GPR appropriation in 2012-13 by that amount.

2. COUNTY AND MUNICIPAL AID -- FUNDING REDUCTION

GPR	- $96,000,000

Governor: Reduce funding by $96,000,000 in 2012-13 for making 2012 payments under the county and municipal aid program, a reduction of 11.6% relative to total 2011 payments. Specify that, of this amount, payments to municipalities (towns, villages, and cities) would be reduced by $59,500,000 (an 8.8% reduction) and payments to counties would be reduced by $36,500,000 (a 24.1% reduction). The formula for determining aid reductions for individual municipalities and counties is described in the following sections. Specify that aid payments to individual counties and municipalities in 2013 and thereafter would be equal to the amount each county and municipality received in 2012.

The intent of the provision was to make adjustments to the total 2011 aid payments to each county and municipality. As drafted, however, the aid reductions are calculated using the aid distribution from the county and municipal aid account of the general fund. However, total aid distributions are made from this account, as well as from other sources (the medical assistance program and the police and fire protection fund). In order to accurately reflect the administration's intent, the bill would need to be modified to specify that the total county and municipal aid payment from all sources is the basis for the reduction calculation.

Municipal Aid Reduction Formula

For the purpose of determining aid reductions to individual municipalities, the bill would establish five tiers, based on the following population ranges: (a) less than 2,500; (b) equal to or greater than 2,500, but no greater than 10,000; (c) greater than 10,000, but no greater than 50,000; (d) greater than 50,000, but no greater than 110,000; and (e) greater than 110,000.

For each municipality, the aid reduction formula, with certain exceptions, consists of two components, one based upon population and the other based on equalized property value. The final aid adjustments are also constrained by a maximum reduction factor that limits the aid loss to the lesser of either 50% of the municipality's 2011 aid payment or an amount based on equalized property value. These three components of the formula are described below.

Population-Based Aid Reduction

The population-based reduction factor is determined by multiplying population by a per capita formula constant and then multiplying the result by a coefficient index. The per capita formula constant is established at a level such that the total reduction from all municipalities equals $59,500,000. Using 2010 equalized value and Census population data, that formula constant is approximately -$9.58 per capita. The coefficient index ranges from 0 to 1, depending upon where an individual municipality's population falls within the population range of its tier. That is, for municipalities at the bottom of the range for their tier, the coefficient would approach 0, for those in the middle of the range, it would be around 0.5, and for those at the top of the range, it would approach 1. Consequently, the total population-based reduction (formula constant X coefficient index) will range from $0 to -$9.58 per capita. The exception to this formula is that the coefficient is 1 for all municipalities in the top tier (the cities of Madison and Milwaukee), so the aid reduction under this component for those municipalities would be -$9.58 per capita.

The specific formula for determining the population reduction component is as follows:

> [Municipal Population (P)] multiplied by [Formula Constant (-$9.58)] multiplied by [Coefficient Index], where the Coefficient Index is established as follows:

Population Tier	Coefficient Index
< 2,500	$\frac{P}{2,500}$
2,500 to 10,000	$\frac{P - 2,500}{7,500}$
10,000 to 50,000	$\frac{P - 10,000}{40,000}$
50,000 to 110,000	$\frac{P - 50,000}{60,000}$
> 110,000	1

Property Value-Based Aid Reduction

Under the property value-based aid reduction formula component, a mill rate reduction factor, which differs for each population tier, is multiplied by the municipality's equalized value. The resulting reduction is added to the population-based reduction component. For municipalities in the smallest population tier (population under 2,500), there is no property value-based reduction component (in effect, a mill rate reduction factor of $0.00).

The specific formula for determining the property value-based aid reduction is as follows:

> [Each $1,000 of Equalized Value] multiplied by [Mill Rate Reduction Factor], where the Mill Rate Reduction Factor is established as follows:

Population Tier	Mill Rate Reduction Factor
< 2,500	$0.00
2,500 to 10,000	-$0.10
10,000 to 50,000	-$0.15
50,000 to 110,000	-$0.25
> 110,000	-$0.30

Maximum Reduction Limits

The aid reduction for each municipality is limited to the lesser of 50% of the municipality's 2011 county and municipal aid payment or a maximum property value-based aid reduction, which differs by tier.

The formula for determining the maximum aid reduction is as follows:

> Lesser of: [50% of 2011 Aid Payment] or [(Each $1,000 of Equalized Value) multiplied by (Maximum Reduction Mill Rate Factor)], where the Maximum Reduction Mill Rate Factor is established as follows:

Population Tier	Maximum Reduction Mill Rate Factor
< 2,500	-$0.10
2,500 to 10,000	-$0.15
10,000 to 50,000	-$0.25
50,000 to 110,000	-$0.30
> 110,000	-$0.35

Although DOA indicates that the intention was to limit the aid payment reductions as shown in the previous formula, a drafting change may be advisable to clearly reflect this intent with respect to the aid reduction formula for the largest population tier.

County Aid Reduction Formula

For each county, the aid payment reduction is calculated by multiplying a per capita formula constant by the county's population, subject to a maximum reduction provision. This reduction is subject to a maximum reduction factor, which is equal to the lesser of 50% of the county's 2011 county and municipal aid payment or -$0.15 multiplied by each $1,000 of the county's equalized value. The formula constant is established at a level such that the total reduction for all counties equals $36,500,000. Based on 2010 Census population and equalized value data, the formula constant would be approximately -$8.78 per capita.

[Bill Sections: 2188, 2190, 2191, 2193, and 2194]

3. STATE AID FOR TAX EXEMPT COMPUTERS, CASH REGISTERS, AND FAX MACHINES -- SUM SUFFICIENT REESTIMATE

GPR	$12,230,500

Governor: Increase estimated payments by $4,374,000 in 2011-12 and $7,856,500 in 2012-13 to reflect: (a) changes in tax rates and the value of exempt computers, cash registers, and fax machines under current law provisions ($4,374,000 in 2011-12 and $10,296,000 in 2012-13) and (b) lower estimated property tax levels associated with the proposed local fiscal controls (-$2,439,500 in 2012-13). No fiscal effect associated with the proposed local fiscal controls is reflected for 2011-12 because those aid payments will be based on tax levies for 2010(11), prior to the proposed local fiscal controls taking effect. With these adjustments, base level funding of $76,700,000 would increase to $81,074,000 in 2011-12 and $84,556,500 in 2012-13.

4. PUBLIC UTILITY AID -- SUM SUFFICIENT ESTIMATES

GPR	$9,646,000

Governor: Increase estimated payments by $1,305,600 in 2011-12 and $2,098,000 in 2012-13 under the public utility aid component of the shared revenue program to reflect estimated changes in the value of utility-owned property eligible for state aid under the three and six mill distribution formula. Estimate total payments under this distribution at $47,305,600 in 2011-12 and $48,098,000 in 2012-13. Increase estimated payments by $2,707,200 in 2011-12 and $3,535,200 in 2012-13 under the public utility distribution account to reflect changes in the number and types of property eligible for aid under the capacity-based distribution formula for production plants that began operating after 2003. Estimate total payments under this distribution formula at $17,547,200 in 2011-12 and $18,375,200 in 2012-13.

5. PAYMENTS FOR MUNICIPAL SERVICES

GPR-Earned	- $2,044,400
GPR	- $4,130,000

Governor: Reduce funding by $2,065,000 annually for the payments for municipal services program, from a base level of $20,649,200 to $18,584,200, which represents a 10% reduction. This program provides annual payments to reimburse municipalities for all or a portion of property tax supported expenses incurred in providing services to state facilities, which are exempt from property taxation.

Reduce estimated GPR-Earned through agency chargebacks under the program by $1,022,200 annually, from $10,399,000 to $9,376,800, to reflect the reduced funding level for payments.

6. EXPENDITURE RESTRAINT PROGRAM BUDGET TEST

Governor: Modify the inflation factor under the expenditure restraint program's budget test by decreasing the factor's minimum value from 3% to 0%, effective with aid payments for 2013. The budget test is one of two criteria that municipalities must satisfy to receive an expenditure restraint payment. It requires a municipality to limit the increase in its budget in the year prior to the aid payment to a percentage equal to the inflation factor, defined as the change in the consumer price index, plus 60% of the change in the municipality's equalized value due to new construction (the new construction factor cannot be less than 0% nor more than 2%). Last session, 2009 Wisconsin Act 28 established a floor for the inflation factor equal to not less than 3%. This provision would lower the floor to 0%. That is, the inflation factor could not be negative. This would first affect municipal budgets adopted for 2012.

[Bill Sections: 2195 and 9341(2)]

Property Tax Credits

1. HOMESTEAD TAX CREDIT -- CURRENT LAW REESTIMATE

GPR	$19,900,000

Governor: Provide increases of $7,400,000 in 2011-12 and $12,500,000 in 2012-13 for the homestead tax credit sum sufficient appropriation to reflect anticipated costs of the current law credit in the biennium. The cost of the credit is projected to increase due primarily to the indexing of the credit formula factors, beginning in tax year 2010, as required under 2009 Act 28. The reestimated credit amounts also factor in projected changes in property taxes and household income in the biennium. With these adjustments, estimated total funding for the current law credit would increase from an adjusted base level of $127,000,000 to $134,400,000 in 2011-12 and $139,500,000 in 2012-13.

2. HOMESTEAD TAX CREDIT -- REPEAL INDEXING OF FORMULA FACTORS

GPR	- $8,100,000

Governor: Decrease the cost of the homestead tax credit by $2,000,000 in 2011-12 and $6,100,000 in 2012-13 associated with repealing the annual indexing of the credit's formula factors, beginning with tax year 2011. Under current law, the income threshold ($8,160 for 2011), the maximum income level ($24,990 for 2011), and the maximum property taxes or rent constituting property taxes ($1,480 for 2011), are indexed annually, as required under 2009 Act 28. Under the bill, the formula factors would no longer be indexed for 2011 and thereafter. Instead, the factors would remain at the 2010 tax year amounts of $8,060 for the income threshold, $24,680 for the maximum income level, and $1,460 for the maximum property taxes or rent constituting property taxes, with the reduction to eligible property taxes or rent constituting property taxes set at 8.785% of household income above $8,060. Repealing the annual indexing adjustments to the credit formula factors would reduce the estimated cost of the credit from $134,400,000 to $132,400,000 in 2011-12 and from $139,500,000 to $133,400,000 in 2012-13.

[Bill Sections: 2124 thru 2128]

3. FIRST DOLLAR CREDIT

GPR	$10,000,000

Governor: Provide $5,000,000 annually to provide full funding for the first dollar credit in the 2011-13 biennium. The 2009-11 biennial budget act (2009 Act 28) increased the statutory amount of the first dollar credit by $5,000,000 annually, from $145,000,000 to $150,000,000, beginning with credits applied against property taxes levied in 2010, but payable in 2011. Because the payment of first dollar credits is made in July of each year, the payment of the 2011 credits (for 2010 property tax levies), will be made in 2011-12 and payment of the 2012 credits (for 2011 property tax levies) will be made in 2012-13. Consequently, the increase to the base level funding for the first dollar credit was not established under Act 28. Payments of the first dollar credit are provided from the same appropriation used to make the state's school levy tax credit payments.

4. PRE-2010 FARMLAND PRESERVATION CREDIT

GPR	$600,000

Governor: Provide increases of $400,000 in 2011-12 and $200,000 in 2012-13 for the sum sufficient appropriation to reflect anticipated costs of the credit in the biennium. Beginning with tax year 2010, 2009 Act 28 deleted the existing farmland preservation tax credit for most claimants and replaced the credit with a new, per acre, farmland preservation tax credit. However, landowners with an existing farmland preservation agreement can continue to file for the pre-2010 credit under that agreement. The cost of the credit is projected to be higher than the $400,000 adjusted base level funding for the credit due to increases in the expected number of agreement holders and in the average credit for those who will file for the pre-2010 credit. As a result, the estimated funding for pre-2010 farmland preservation credit claims would total $800,000 in 2011-12 and $600,000 in 2012-13.

5. LOTTERY AND GAMING CREDIT REESTIMATE

SEG	$434,700

Governor: Provide a decrease of $478,700 in 2011-12 and an increase of $913,400 in 2012-13 to the sum sufficient appropriation to reflect estimates of lottery proceeds available for distribution. With these adjustments, estimated total funding would decrease from an adjusted base level of $117,957,000 to $117,478,300 in 2011-12 and then increase to $118,870,400 in 2012-13.

6. LOTTERY AND GAMING CREDIT; LATE APPLICATIONS

SEG	- $426,000

Governor: Provide a decrease in funding of $213,000 annually for the sum sufficient appropriation to reflect estimates of the amount of credits to be paid to persons who apply for the credit after tax bills have been issued. As a result, tax credit distributions for late applications would decrease from an adjusted base level of $360,000 to $147,000 annually.

Property Taxation

1. LEVY LIMIT FOR COUNTIES AND MUNICIPALITIES

Governor: Modify the levy limit program by: (a) changing the program's sunset from December, 2010, to December, 2012, so that the program extends to levies for 2011(12) and 2012(13); (b) changing the base year levy, which is used to calculate allowable levy increases, from the prior year's maximum allowable levy to the prior year's actual levy; and (c) changing the minimum allowable levy increase under the inflation factor from 3% to 0%. Require a county or municipality to decrease its allowable levy if its current year levy for debt service on debt issued before July 1, 2005, is less than its prior year levy for debt service on such debt, by an amount equal to the decrease. As modified, the levy limit for 2011(12) and 2012(13) would be structured as follows:

Imposition. Prohibit any political subdivision, defined as a city, village, town, or county, from increasing its base municipal or county tax levy by more than a percentage that exceeds the local government's valuation factor. Define the base levy as the local government's actual levy for the immediately preceding year. Define the valuation factor as the percentage equal to the greater of 0% or the percentage change in the local government's equalized value due to new construction, less improvements removed, as determined for January 1 equalized values in the year of the levy. [The prior law levy limit had a 3% floor for the allowable increase and based the limit on the maximum allowable levy for the prior year, rather than the actual levy.]

Exclusions. Exclude from the limitation any amounts levied: (a) as tax increments by a city, village, or town; (b) for the payment of any general obligation debt service on debt authorized on or after July 1, 2005, and secured by the full faith and credit of the city, village, town, or county; (c) for a county children with disabilities education board by a county; (d) for school purposes by a first class city; (e) for town bridge and culvert construction and repair by a county; (f) for payment by a county to an adjacent county for library services; (g) for a countywide emergency medical system by a county; (h) for any revenue shortfall for debt service on a revenue bond issued by a political subdivision; (i) for any revenue shortfall for debt service on a revenue bond issued by a joint fire department if the joint fire department uses the bond proceeds to pay for a fire station, if the joint fire department assesses the political subdivision its share of the debt under an intergovernmental cooperation agreement, and if the political subdivision is responsible for the repayment of the debt, even though the debt was incurred by the joint fire department; (j) for the payment of debt service on appropriation bonds issued to fund a county or municipal employee retirement system liability by a county having a population of 500,000 or more or by a first class city; (k) for police protection services by a village in the year immediately after the village's incorporation, provided the village did not have a police force when it was a town; (l) for unreimbursed expenses related to a declared emergency, including any amount levied to replenish cash reserves used to pay those unreimbursed expenses, provided the amount is levied in the year the emergency occurred or in the next year; or (m) for fire charges assessed by a joint fire department that would cause the municipality to exceed its allowable levy, provided that the joint fire department's total charges increase relative to the prior year by a rate less than or equal to 2% plus the percentage change in the consumer price index and the governing body of each municipality served by the joint fire department adopts a resolution in favor of the municipality exceeding its limit. Define joint fire department, by way of cross-reference, as a joint fire department created by a village with a population of 5,000 or more with a city or town or with another village, by a city with another city, or by a municipality with another governmental unit or Indian tribe through an intergovernmental cooperation contract. [All of these exclusions were included under prior law.]

Adjustments. Specify that the levy limit shall be adjusted, as determined by the Department of Revenue (DOR), as follows: (a) if a municipality or county transfers to another governmental unit responsibility for providing any service that it provided in the preceding year, the levy increase limit otherwise applicable to the municipality or county is decreased to reflect the cost that the municipality or county would have incurred to provide the service; (b) if a municipality or county increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit, the levy increase limit otherwise applicable to the municipality or county is increased to reflect the cost of providing that service; (c) if a service has been provided in part of the county by the county and in part of the county by a separate governmental unit and the provision of the service is consolidated at the county level, the levy increase limit otherwise applicable to the county is increased to reflect the total cost of providing the service; (d) if a city or village annexes property from a town, the annexing municipality's levy increase limit is increased by an amount equal to the town levy on the annexed territory in the preceding year and the levy increase limit for the town from which the property was annexed is decreased by the same amount; (e) if two political subdivisions enter an intergovernmental cooperation agreement to jointly provide a service on a consolidated basis and if one subdivision agrees to increase its levy and the other subdivision agrees to decrease its levy by the same amount to achieve a more equitable distribution of payments for the service, then the levy increase limits for the two subdivisions are increased and decreased by the agreed amounts; (f) if the amount of a lease payment related to a lease revenue bond in the preceding year is less than the amount of the lease payment needed in the current year, as the result of the issuance of a lease revenue bond before July 1, 2005, the levy increase limit is increased by the difference between the two amounts; (g) if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, as the result of the city, village, town, or county adopting a resolution before July 1, 2005, authorizing the issuance of debt, the levy increase limit is increased by the difference between the two amounts; and (h) if the amount of debt service in the preceding year on debt originally issued before July 1, 2005, is more than the amount of debt service needed in the current year for such debt, the levy increase limit is decreased by the difference between the two amounts. Specify that debt service includes debt service on debt issued or reissued to fund or refund outstanding obligations, interest on outstanding obligations, or the payment of related issuance costs or redemption premiums. Finally, provide an adjustment to the levy limit of a political subdivision if the subdivision contained a tax increment district for the immediately preceding year and DOR does not certify a value increment for the district in the current year because of the district's termination. Set the adjustment equal to the political subdivision's allowable levy for the preceding year multiplied by a percentage equal to half of the tax increment district's value increment in the previous year divided by the political subdivision's equalized value in the previous year. [The adjustment under (h) was not included under the prior law levy limit. All of the other adjustments were included under prior law.]

Referendum. Create a procedure under which a city, village, town, or county may exceed its levy increase limit if the local government's governing body adopts a resolution to that effect and the electors of the municipality or county approve the resolution in a referendum. Require the resolution and referendum to specify the proposed amount of the levy increase above the limit and whether the amount of the proposed increase is for a single year only or is ongoing. Authorize the local government to hold a special referendum, with regard to a referendum relating to the levy in an odd-numbered year. Require the local government to hold a referendum at the same time as the next spring primary or election or September primary or general election, with regard to a referendum relating to the levy in an even-numbered year. Require the referendum to be held in accordance with current law provisions enumerated in chapters 5 to 12 of the state statutes.

Require the referendum question to be submitted to the electors as follows: "Under state law, the increase in the levy of the .... (name of county or municipality) for the tax to be imposed for the next fiscal year, ... (year), is limited to ....%, which results in a levy of $.... Shall the .... (name of the county or municipality) be allowed to exceed this limit and increase the levy for the next fiscal year, ... (year), by a total of ....%, which results in a levy of $....?". Specify that a town with a population below 2,000 may exceed its levy increase limit if the annual town meeting or a special town meeting adopts a resolution to that effect and if the town board has adopted a resolution supporting the increase and placing the question on the meeting's agenda. Require the clerk of the municipality or county to publish notices regarding the referendum or town meeting prior to the time it is held and to certify the results of the referendum or town resolution to DOR within 14 days of the referendum or meeting. [The referendum and town meeting provisions are the same as those under the prior law levy limit.]

Penalty. Require DOR to reduce the county and municipal aid payment of any municipality or county that imposes a tax levy in excess of the amount allowed under these provisions. Establish the reduction as the amount equal to the excess tax levy, but exclude levies that exceed the allowable levy by less than $500 from the penalty. Provide that the aid reduction be imposed in the year after the excess amount is levied, but specify that the amount of any penalty exceeding a local government's succeeding aid payment be applied to aid payments in subsequent years until the total penalty is subtracted. Provide that any withheld state aid amounts be lapsed to the general fund. Authorize DOR to waive penalties if it determines that a penalized excess is caused by a clerical error. Define clerical error as a penalized excess caused by DOR, through mistake or inadvertence, assessing to a county or a municipality in the current or previous year a greater or lesser valuation than should have been assessed, or by a county or municipal clerk, through mistake or inadvertence, in preparing or delivering the tax roll. [The penalty provisions are the same as those under the prior law levy limit.]

Sunset. Provide that the levy limit would not apply to levies imposed after December, 2012.

[Bill Sections: 1722 thru 1725]

Local Government Services

1. COMBINED MUNICIPAL PROTECTIVE SERVICES

Governor: Specify that any second, third, or fourth class city, village, or town would be allowed to provide police and fire protection services in the following ways: (a) through a combined protective services department, which is neither a police or fire department, and in which the same person may be required to perform police and fire protection duties; or (b) with persons in a police or fire department who, alone, or in combination with persons designated as police officers or fire fighters, may be required to perform police and fire protection duties. Include a combined municipal protective services department in the lists of manners in which a town or a village can provide fire protection or law enforcement and under the provision for a town to establish a board of police and fire commissioners.

Under current law, villages have the authority to provide combined police and fire protection services in a similar manner if the department or arrangement for providing the services was created or established prior to January 1, 1987. The bill would delete this limitation and would modify the existing authority of a village to make it conform with the combined protective service authority being provided to cities and towns under the bill.

Specify that if a city creates a combined protective services department, the city would be required to create the office of chief of that department and abolish the offices of the chief of police and chief of the fire department. Provide that the chief of a city's combined protective services department is an officer of the city with the command of the combined protective services force, under the direction of the mayor. Specify that the city's combined protective services officers would possess the powers, enjoy the privileges, and be subject to the liabilities conferred and imposed by law upon constables. Provide that the city's chief of a combined protective services department would be in charge of all city jails, including that portion of any jail which is used by the city in a joint city-county building. These provisions parallel those under current law for city police chiefs and officers.

Extend the current law requirement that city, village, or town police department staff cannot be required to perform nonemergency police protection duties for more than eight hours in each 24 hours to include the staff of a combined protective services department. Specify that the governing body of a city, village, or town that creates a combined protective services department or designates a person to perform both police and fire duties would be allowed to designate any person as primarily a police officer or fire fighter for the purposes of the following current law provisions:

a. *Police Rest Days.* The provision of rest days to police staff, defined as one full rest day of 24 consecutive hours during each 192 hours, except in cases of emergency, for fourth class cities, and two full rest days of 24 consecutive hours during each 192 hours, except in cases of emergency, for second and third class cities, villages, and towns.

b. *Fire Protection Rest Days.* For a fourth class city having a population of 5,000 or more, the provision of rest days for fire protection staff, defined as a period of 24 consecutive hours off duty during each 72 hours, except in cases of positive necessity by some sudden and serious fire, accident or other peril. Specify that these provisions would also apply to a person primarily designated a firefighter, but employed by a police department within a city, village, or town, as described under the combined protective services provisions of the bill.

c. *Hours of Labor.* For a second, third, or fourth class city, village, or town, the establishing of police hours of labor, defined as a working day of not more than eight hours in each 24 hour period, except in cases of emergency.

d. *Rules for Leaving City.* The establishment of rules, subject to governing body approval, which require fire fighters to obtain approval from the fire chief before leaving the municipality (this approval requirement would be extended to the police chief or combined protective services department chief, as it applies to fire fighters in a combined protective services department and to those designated as primarily acting as a firefighter).

Under current law, a town or village that has established a board of police or fire commissioners, or a joint board of police or fire commissioners, is subject to these same police rest day, hours of labor, and rules for leaving a city provisions.

Provide that if a combined protective services department is created, a city, village, or town board of police and fire commissioners would have the authority to appoint a chief of the department. In addition, the board of police and fire commissioners of a city, or a village, if approved at a village-wide referendum, would have the following authority relative to a combined protective services department: (a) to organize and supervise the department and to prescribe the rules and regulations for its control and management; (b) to contract for and purchase all necessary apparatus and supplies for the use of the department, exclusive of the erection and control of the combined services station buildings; and (c) to audit all bills, claims, and expenses of the department before they are paid by the municipal treasurer. Under current law, a police and fire commissioner board of a city, village, or town has the same authority relative to a municipal police or fire department.

Under current law, a town or village board that has not created a board of police commissioners may not suspend, reduce, suspend and reduce, or remove the chief of police or other law enforcement officer who is not probationary, and who has no valid and enforceable collective bargaining contract that provides for a fair review prior to that suspension, reduction, suspension and reduction, or removal, unless certain conditions are met. A similar current law provision exists for cities of less than 4,000 in population. The bill would extend these provisions to a chief of the protective services department when a local government uses one of the combined protective services approaches allowed under the bill, but does not create a board of police and fire commissioners.

Extend the following current law provisions to include a combined protective services department:

a. provisions that allow a city to abolish its police department if it enters into a contract with a county for the county sheriff to provide law enforcement in all parts of the city;

b. the statements of legislative intent specifying that the enactment of laws governing police and fire departments is of statewide concern for purpose of providing uniform regulation of these departments;

c. the provision that specifies that nothing relating to the construction of a joint county-city public safety building is construed as relieving, modifying, or interfering with the responsibilities for operating jails which are vested in sheriffs or chiefs of police;

d. in the definition of "collective bargaining" under the municipal employment relations law;

e. requirements related to notification of a law enforcement agency by persons repossessing a motor vehicle or collateral subject to a motor vehicle consumer lease;

f. laws relating to the presumption of employment-connected heart or respiratory impairment or disease or cancer for firefighters or employment-connected infectious diseases for police officers and firefighters;

g. laws relating to the harassment of police and fire animals;

h. the use of the terms fire department, fire chief or chief of a fire department, firefighter, police department, police chief or chief of a police department, and police officers for the purposes of the rules for construction of the state statutes; and

i. the term "protective occupation participant" for purposes of the Wisconsin Retirement System.

[Bill Sections: 1140, 1141, 1686 thru 1690, 1697 thru 1713, 1717, 1728, 2405, 3194, 3495 thru 3498, 3539, and 3562 thru 3567]

Other Credits

Descriptions of the budget provisions related to the earned income tax credit, veterans and surviving spouses property tax credit, enterprise zone jobs tax credit, film production services credit, film production company investment credit, dairy manufacturing facility investment credits, beginning farmer and farm asset owner tax credit, food processing plant and food warehouse investment credit, claim of right credit, and cigarette and tobacco products tax refunds are provided under "General Fund Taxes."

STATE FAIR PARK

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$2,363,100	$1,196,600	$3,363,800	- $165,800	- 3.5%	0.00	0.00	0.00	0.00	0.0%
PR	16,375,100	17,529,400	17,783,500	2,562,700	7.8	38.90	38.90	39.90	1.00	2.6
TOTAL	$18,738,200	$18,726,000	$21,147,300	$2,396,900	6.4%	38.90	38.90	39.90	1.00	2.6%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	$1,977,800

Governor: Request $988,900 annually for: (a) full funding of salary and fringe benefits [$848,000 annually]; (b) overtime [$140,200 annually]; and (c) night and weekend differential pay [$700 annually].

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

PR	- $395,000

Governor: Delete $197,500 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance costs reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. BUDGET REDUCTIONS

PR	- $1,393,000

Governor: Reduce funding by $696,500 annually associated with a 10% reduction to supplies and other non-personnel costs. The reductions would include the following appropriations:

Fund	Appropriation	Base	Annual Reduction
PR	General operations	$12,414,600	$676,500
PR	Capital expenses	200,000	20,000
		Total	$696,500

4. WISCONSIN EXPOSITION CENTER OPERATIONS

PR	$2,211,600

Governor: Provide $1,055,800 in 2011-12 and $1,155,800 in 2012-13 for operations at the Wisconsin Exposition Center. The request would include: (a) $173,000 annually for salaries and fringe benefits for limited-term employees (LTEs); and (b) $882,800 in 2011-12 and $982,800 beginning in 2012-13 for utilities, supplies, maintenance and other operational services.

The Wisconsin Exposition Center is a 271,000-square-foot facility located within State Fair Park that opened in 2002. The Expo Center's construction was supported by $44.9 million in industrial revenue bonds, and the nonprofit corporation State Fair Park Exposition Center, Inc., was created to operate the property. As part of a settlement with bondholders, the state purchased the property from Expo Center, Inc., in December, 2009, for $13.9 million. In April, 2011, State Fair Park will begin paying for state debt issued for the purchase. Debt service is currently expected to average about $1.1 million per year for 20 years, beginning in 2011-12.

In addition, the Joint Committee on Finance authorized 9.0 PR positions in March, 2010, for State Fair Park to staff Expo Center operations. The state staff replaced approximately 14 full-time positions previously used to operate the facility by the nonprofit corporation. The nine positions cover various responsibilities related to both Expo Center and other operations, including: (a) event direction and management; (b) event sales and marketing to prospective consumer and trade shows and other events; (c) finance; and (d) property maintenance. The annual salary-related costs of these positions are budgeted at approximately $1 million and are included under standard budget adjustments.

The bill is intended to reflect the remaining costs associated with the Expo Center's operations, and would result in total annual costs of approximately $3 million. State Fair Park officials expect $3.4 million in Expo Center revenues for 2010-11 and $3.2 million in revenues for each year of the 2011-13 biennium. Park officials indicate the agency in its entirety may generate a yearly surplus of about $700,000 in 2011-12 and $800,000 in 2012-13. Park officials currently estimate a 2010-11 surplus of about $1 million.

5. CURRENT LAW DEBT SERVICE REESTIMATE

GPR	$1,677,100
PR	21,200
Total	$1,698,300

Governor: Provide $761,200 GPR in 2011-12 and $915,900 GPR in 2012-13, and provide $3,600 PR in 2011-12 and $17,600 PR in 2012-13 to reestimate debt service on general obligation bonds issued for the construction and maintenance of State Fair Park facilities. GPR debt service is primarily associated with agricultural and other exhibition facilities at State Fair Park, as well as various land acquisitions, infrastructure projects and the Tommy G. Thompson Youth Center. PR debt service is primarily associated with the Milwaukee Mile racetrack and grandstand and other general facilities improvements.

Under the bill, total GPR debt service would be estimated at $1,196,600 in 2011-12 and $3,363,800 in 2012-13. Total PR debt service would be estimated at $3,764,100 in 2011-12 and $3,778,100 in 2012-13. However, beginning in 2010-11, debt service of $1.1 million each year for the 2009 purchase of the Wisconsin Exposition Center will also be supported by PR, and this portion of State Fair Park's obligations has not been included in the bill's debt service estimates. Therefore, total PR debt service will likely be approximately $4.9 million each year in 2011-13.

6. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $1,842,900

Governor: Decrease funding by $1,927,700 in 2011-12 and increase funding by $84,800 in 2012-13 to the reflect estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. [See "Building Commission" for additional information regarding this provision.]

7. TRANSFER POSITION FROM DOA

	Funding	Positions
PR	$140,100	1.00

Governor: Provide $140,100 beginning in 2012-13 with 1.0 human resources assistant position under State Fair Park's general operations appropriation. This position would be transferred from the Department of Administration (DOA) for various duties related to personnel management at State Fair Park, where the position is currently based. The administration reports this action would partially reverse a provision of 2005 Act 25, under which various agencies' human resources and payroll functions were consolidated in DOA.

8. POSITION RECLASSIFICATION

Governor: Convert 0.15 PR position in State Fair Park's general operations appropriation from the classified service to unclassified. The administration reports this conversion would reconcile a discrepancy within the state budget system. The state personnel management system currently lists 24.9 PR State Fair Park positions as unclassified and 14.0 PR positions as classified. However, the state budget system shows 24.75 unclassified positions and 14.15 classified positions.

STATE TREASURER

	Budget Summary					FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
PR	$5,016,300	$4,861,100	$4,861,100	- $310,400	- 3.1%	11.55	9.95	9.95	- 1.60	- 13.9%
SEG	2,429,400	0	0	- 4,858,800	- 100.0	3.15	0.00	0.00	- 3.15	- 100.0
TOTAL	$7,445,700	$4,861,100	$4,861,100	- $5,169,200	- 34.7%	14.70	9.95	9.95	- 4.75	- 32.3%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
PR	- $189,600	- 4.00
SEG	28,400	0.00
Total	- $161,200	- 4.00

Governor: Provide standard budget adjustments to base totaling -$94,800 PR and $14,200 SEG and -4.0 PR positions annually. Adjustments are for: (a) removal of non-continuing items (-$184,000 PR and -4.0 PR positions annually); (b) full funding of continuing salaries and fringe benefits ($85,200 PR and $12,500 SEG annually); and (c) full funding of lease costs and directed moves ($4,000 PR and $1,700 SEG annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

PR	- $65,400
SEG	- 28,600
Total	- $94,000

Governor: Delete $47,000 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $32,700 PR and $14,300 SEG annually. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

	Funding	Positions
PR	- $217,800	- 1.20
SEG	- 281,600	- 1.55
Total	- $499,400	- 2.75

Governor: Delete $108,900 PR and 1.2 PR positions and $140,800 SEG and 1.55 SEG positions annually associated with: (a) deleting salaries and fringe benefits related to the deletion of 1.0 SEG financial officer position for the college investment programs (EdVest, Tomorrow's Scholar, and the College Tuition and Expenses program); (b) deleting salaries and fringe benefits related to the deletion of 0.75 senior accountant position (0.50 PR and 0.25 SEG position); (c) deleting salaries and fringe benefits related to the deletion of 1.0 unclassified stenographer position (0.7 PR and 0.3 SEG position); (d) the deletion of $13,100 PR and $32,700 SEG in supplies and services; and (e) the deletion of $8,500 PR in unalloted reserves.

Delete statutory language allowing an unclassified stenographer under State Treasurer and delete the specific stenographer position and related salary and fringe benefits. Under current law, each elected executive officer may appoint a stenographer. The stenographer is appointed under unclassified service with salaries set by the appointing authority, subject to other statutory restrictions and the compensation plan.

Under this provision, positions that are at least partially funded from programs other than unclaimed property and that were not transferred to DOA, would be deleted, as well as all remaining funding in the Office of the State Treasurer (salaries, fringe benefits, supplies and services and unalloted reserves) for the college savings programs and the local government investment pool program. This includes funding for 1.0 stenographer, 1.0 financial officer, and 0.75 senior accountant.

Under current law, several positions are partially funded by the programs administered by the Office: the college savings programs, the unclaimed property program, and the local government investment pool program. Under a separate item, the college savings programs and the local government investment pool would be transferred to DOA along with 1.0 position for each program. Under these provisions, portions of the position authority for the State Treasurer and the Deputy Treasurer would be moved to the remaining unclaimed property program. The bill would also transfer management functions of Office to DOA (also described separately).

[Bill Sections: 812, 2758, and 2764]

4. PUBLIC FINANCING OF CAMPAIGNS FOR SUPREME COURT JUSTICE--DEMOCRACY TRUST FUND

SEG	- $3,200,000

Governor: Delete $1,600,000 SEG annually and transfer the SEG sum sufficient public financing benefits; candidates for justice appropriation to the Government Accountability Board (GAB). As a result, this appropriation would have no authorized expenditure authority under GAB. Under current law, this appropriation provides payment of public financing benefits to eligible Supreme Court Justice candidates, funded from the Democracy Trust Fund (DTF).

In addition, delete the DTF administration appropriation under the State Treasurer which authorizes the Treasurer to expend the amounts to offset costs incurred to administer the DTF. Under current law, this appropriation has no expenditure authority.

Finally, provide that it would be the responsibility of GAB, and not the State Treasurer, to administer the DTF and to create and extend lines of credit to eligible candidates for Supreme Court Justice. The DTF provides public financing grants for eligible candidates for Supreme

Court Justice.

[See Government Accountability Board and Miscellaneous Appropriations--Public Financing of Campaigns for Supreme Court Justice--Democracy Trust Fund for additional information.]

[Bill Sections: 5 thru 7, 16, 748, 756, 757, 884, and 885]

5. TRANSFER COLLEGE SAVINGS PROGRAMS TO DOA

	Funding	Positions
PR	$117,600	0.60
SEG	- 1,377,000	- 1.60
Total	- $1,259,400	- 1.00

Governor: Delete $688,500 SEG and 1.6 SEG positions and provide $58,800 PR and 0.6 PR positions annually related to transferring 1.0 SEG position responsible for college savings plan (EdVest) administration to the Department of Administration (DOA). The additional program revenue funding and position authority would move partial funding of the State Treasurer and the Deputy State Treasurer from the EdVest-supported administrative appropriation to the unclaimed property-supported administrative appropriation.

Specify that the College Savings Board would be attached to DOA rather than the State Treasurer and that the DOA Secretary or the Secretary's designee would serve as a member of the Board rather than the State Treasurer or the Treasurer's designee. Transfer the various appropriations, currently in the Office of the State Treasurer, to DOA's supervision and management functions.

Transfer of the College Savings Programs. Under current law, the Office of the State Treasurer operates two ongoing college savings programs: (a) EdVest; and (b) Tomorrow's Scholar. Administration of these programs would be transferred to DOA under the bill.

Under current law, The funds invested in the college savings programs can be used for tuition, fees, room and board, and educational supplies. Wisconsin residents may deduct up to $3,000 annually, per beneficiary. Parents, grandparents, great grandparents, aunts, and uncles of the beneficiary who made contributions to the program are eligible for the Wisconsin tax deduction. Account owners may also claim a deduction for contributions made to their own account. Investment earnings and distributions from an account established through a section 529 qualified program, including Wisconsin's EdVest and Tomorrow's Scholar, programs of other states, and private institutions, are exempt from both federal and Wisconsin income taxes if the withdrawals are used for qualified higher education expenses. The bill makes no change to either college savings program.

Transfer of College Tuition and Expenses Program. Transfer the College Tuition and Expenses program from the Office of the State Treasurer to the DOA.

The College Tuition and Expenses Program (also known as the tuition units purchase program) allowed individuals to purchase units of tuition. The value of each unit is equal to an estimate of 1% of weighted UW System tuition at the time of expected enrollment of the beneficiary. The funds can be used for any U.S. higher education institution. The program was available from July, 1997, through December, 2002, although some invested funds will remain in the program, through approximately 2024. The State Treasurer must make payments to the beneficiary or on the beneficiary's behalf in each semester of attendance the lesser actual costs or the amount of funding available. Under the bill, these duties would be transferred to DOA. The bill makes no other change to the program.

Nonstatutory Provisions. Specify that the assets, liabilities and tangible property of the Office of the State Treasurer related to the college savings programs and the College Tuition and Expenses program, as determined by the DOA Secretary, would become assets, liabilities and tangible property of DOA on the effective date of the bill.

Specify that all pending matters of the college savings programs and the College Tuition and Expenses program, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill. Materials submitted to, or actions taken by, the Office of the State Treasurer related to these programs would be considered to or taken by DOA.

All contracts entered into by the Office of the State Treasurer, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contacts unless modified or rescinded by DOA, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by the Office of the State Treasurer, relating to the college savings programs and the College Tuition and Expenses program, would remain in effect until the expiration date of the rule or until amended or repealed by DOA. All orders issued by the Office of the State Treasurer related to the college savings programs and the College Tuition and Expenses program would remain in effect until the end of their effective date or until modified or rescinded by DOA. Under the bill, the DOA Secretary would determine which rules and orders are related to the college savings programs.

On the effective date of the bill, 1.0 SEG position from the Office of the State Treasurer, who is the incumbent employee for these programs, would be transferred to DOA. Specify that the DOA Secretary would identify the position to transfer. The transferred person would retain their earned rights and status under the state employment relations laws. Any person transferred would not have to go through a probationary period, if he or she has already obtained permanent status.

[Bill Sections: 74 thru 77, 207, 208, 758 thru 766, 868, 904 thru 907, 1756 thru 1760, 3491, 3492, and 9149(1)]

6. TRANSFER LOCAL GOVERNMENT INVESTMENT POOL

	Funding	Positions
PR	- $364,800	- 1.00

Governor: Delete $223,200 and 1.4 classified position annually related to the transfer of the local government pooled-investment fund from the Office of the State Treasurer to the Department of Administration (DOA). Within the Office of the State

Treasurer, provide $40,800 and 0.4 unclassified position, related to partial funding of salaries and fringe benefits of the State Treasurer and the Deputy State Treasurer, from supported by the investment fund to funded from the unclaimed property revenues.

Under current law, an officer or employee of a local unit of government may deposit funds through the State Treasurer into an investment fund that is the pooled assets of the various local governments that have authorized deposits. The funds are invested by the State of Wisconsin Investment Board (SWIB) and managed along with cash balances of state agencies and excess cash of the retirement funds managed by SWIB. The local units of government can specify the period in which the funds are invested. The State Treasurer may prescribe the mechanisms and procedures for deposits and withdrawals. In cooperation with DOA, SWIB must provide information to the State Treasurer on the status of the fund. The Treasurer must make a monthly report to each local unit of government that has invested in the fund. The State Treasurer must deduct monthly from the earnings of the fund an amount sufficient to cover the actual and necessary expenses of administering the fund.

The duties of the State Treasurer would be transferred to DOA under the bill. There would be no programmatic changes to the local government pooled-investment fund program under the bill.

Nonstatutory Provisions. Specify that the assets, liabilities, and tangible property (including records) of the Office of the State Treasurer related to the local government pooled-investment fund, as determined by the DOA Secretary, would become assets, liabilities and tangible property of DOA on the effective date of the bill.

Specify that all pending matters of the local government pooled-investment fund, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill. Materials submitted to or actions taken by the Office of the State Treasurer related to this program would be considered to or taken by DOA.

All contracts entered into by the Office of the State Treasurer, related to the local government pooled-investment fund, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contacts unless modified or rescinded by DOA, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by the Office of the State Treasurer, relating to the local government pooled-investment fund would remain in effect until the expiration date of the rule or until amended or repealed by DOA. All orders issued by the Office of the State Treasurer related to the local government pooled-investment fund would remain in effect until the end of their effective date or until modified or rescinded by DOA. Under the bill, the DOA Secretary would determine the rules and orders that are related to the local government investment pool.

On the effective date of the bill, 1.0 PR position from the Office of the State Treasurer, who is the incumbent employee for the program, would be transferred to DOA. Specify that the DOA Secretary would identify the position to transfer. The transferred person would retain their earned rights and status under the state employment relations laws. Any person transferred would not be required to serve a probationary period, if he or she has already obtained permanent status.

[Bill Sections: 755, 896, 898 thru 903, and 9149(2)]

7. TRANSFER OF STATE TREASURER MANAGEMENT FUNCTIONS TO DOA

Governor: Transfer the assets, liabilities, and tangible property (including records) of the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, to DOA.

Specify that all pending matters of the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would become pending matters of DOA on the effective date of the bill. Materials submitted to or actions taken by the Office of the State Treasurer that are primarily related to management services would be considered to or taken by DOA.

All contracts entered into by the Office of the State Treasurer that are primarily related to management services, on the effective date of the bill, would become contracts of DOA, as determined by the DOA Secretary. The Department would be responsible for carrying out the obligations of these contacts unless modified or rescinded by DOA, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would remain in effect until the expiration date of the rule or until amended or repealed by DOA. All orders issued by the Office of the State Treasurer that are primarily related to management services, as determined by the DOA Secretary, would remain in effect until the end of their effective date or until modified or rescinded by DOA.

[Bill Section: 9149(3)]

8. UNCLAIMED PROPERTY PERMANENT POSITIONS

	Funding	Positions
PR	$409,600	4.00

Governor: Provide $204,800 and 4.0 classified positions annually for managing unclaimed property cash revenue accounts and database, claims review and processing, management reconciliation of stock portfolios, and security and sale of safe deposit contents. Under current law, these positions are provided on a temporary (project) basis set to expire on June 30, 2011. The project positions are eliminated under standard budget adjustments.

SUPREME COURT

	Budget Summary					FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$14,842,100	$14,442,700	$14,414,000	- $827,500	- 2.8%	115.50	114.50	114.50	- 1.00	- 0.9%
FED	924,000	895,900	895,900	- 56,200	- 3.0	5.00	5.00	5.00	0.00	0.0
PR	14,726,200	13,966,100	13,966,100	- 1,520,200	- 5.2	95.25	95.25	95.25	0.00	0.0
SEG	768,100	749,000	749,000	- 38,200	- 2.5	5.00	5.00	5.00	0.00	0.0
TOTAL	$31,260,400	$30,053,700	$30,025,000	- $2,442,100	- 3.9%	220.75	219.75	219.75	- 1.00	- 0.5%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$776,300	- 2.00
FED	- 18,800	0.00
PR	629,400	0.00
SEG	- 2,800	0.00
Total	$1,384,100	- 2.00

Governor: Adjust base funding by $718,500 in 2011-12 and $665,600 in 2012-13 and -2.0 positions annually for: (a) full funding of salaries and fringe benefits ($437,000 GPR, -$9,500 FED, $230,900 PR and -$6,300 SEG annually); (b) full funding of lease and directed moves costs ($83,300 GPR, $100 FED, $83,800 PR, and $4,900 SEG annually); and (c) removal of non-continuing items (-$105,700 GPR in 2011-12 and -$158,600 GPR in 2012-13 and -2.0 GPR positions annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $1,268,800
FED	- 37,400
PR	- 884,400
SEG	- 35,400
Total	- $2,226,000

Governor: Delete $1,113,000 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $634,400 GPR, $18,700 FED, $442,200 PR, and $17,700 SEG annually. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. APPROPRIATION REDUCTIONS

GPR	- $453,800
PR	- 1,265,200
Total	- $1,719,000

Governor: Reduce funding by $226,900 GPR and $632,600 PR annually associated with a 10% reduction to supplies and other non-personnel costs, as follows:

Director of State Courts	
General Program Operations	$90,500 GPR
Court Commissioner Training	2,100 PR
Court Interpreter Training and Certification	4,500 PR
Materials & Services	6,000 PR
Municipal Judge Training	5,900 PR
Court Information Systems	107,600 PR
Central Services	3,300 PR
Automated Information Systems	420,000 PR
Bar Examiners & Responsibility	
Board of Bar Examiners	$18,400 PR
Office of Lawyer Regulation	58,400 PR
State Law Library	
General Program Operations	$136,400 GPR
Library Collection and Services	6,400 PR

4. CONVERT COURT AUDITOR PROJECT POSITION TO PERMANENT

	Funding	Positions
GPR	$118,800	1.00

Governor: Convert the 1.0 auditor position from a project position to a permanent position, and provide $47,300 in 2011-12 and $71,500 in 2012-13. The position was created under 2007 Act 20 to create a uniform chart of accounts program for county court costs and revenues. Continuation of the auditor position is intended to allow counties to be audited on a regular basis, to provide assistance to counties in streamlining reporting, and to ensure the completeness and accuracy of statewide county by county financial data related to operation of the circuit courts. Removal of the project position is included under the Supreme Court's standard budget adjustments, removal of noncontinuing items.

5. AUTOMATED INFORMATION SYSTEMS -- JUSTICE INFORMATION FEE FUNDING

Governor: Create a program revenue appropriation for the operation of the circuit court automated information systems. Provide funding to the appropriation through revenue from the justice information system surcharge [See "Administration -- Justice Information System Surcharge Overview" for more information.]

Transfer funding associated with the justice information system surcharge ($4.2 million PR annually) from the existing court information systems appropriation to the new automated information systems appropriation. Delete statutory language which provides justice information system surcharge revenue to the existing court information systems appropriation. As a result, revenue from the justice information system surcharge would no longer be deposited into the court information systems appropriation, but rather the new automated information systems appropriation. The court information systems appropriation would continue to receive revenue from other fee and surcharge revenues.

[Bill Sections: 717, 769, 770, and 3476]

6. ONE-TIME TRANSFER OF FUNDING TO STATE LAW LIBRARY

Governor: Create non-statutory language providing for the one-time transfer of $41,000 from the Department of Justice's (DOJ) gifts, grants, and proceeds PR appropriation to the Supreme Court's law library PR gifts and grants appropriation in 2011-12 for the purchase of archival materials. Funding in the DOJ gifts, grants, and proceeds appropriation are derived from legal settlement funds.

[Bill Section: 9245(1)]

TOURISM

	Budget Summary						FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$2,876,500	$3,502,100	$5,846,200	$3,595,300	62.5%	30.45	30.00	30.00	- 0.45	- 1.5%
FED	0	755,500	755,500	1,511,000	N.A.	0.00	1.00	1.00	1.00	N.A.
PR	8,669,500	9,899,700	9,899,700	2,460,400	14.2	1.00	1.00	1.00	0.00	0.0
SEG	2,428,600	2,430,300	2,430,300	3,400	0.1	3.00	3.00	3.00	0.00	0.0
TOTAL	$13,974,600	$16,587,600	$18,931,700	$7,570,100	27.1%	34.45	35.00	35.00	0.55	1.6%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$548,800
PR	- 4,200
SEG	26,800
Total	$571,400

Governor: Provide adjustments to the agency base budget for: (a) full funding of salary and fringe benefits for continuing positions [$286,100 GPR annually, $4,600 PR annually, and $14,600 SEG annually]; (b) reclassifications and semiautomatic pay progressions [$26,500 GPR annually]; (c) full funding of lease costs and other directed moves [-$38,200 GPR annually, -$6,700 PR annually, and -$1,200 SEG annually]; and (d) minor transfers within appropriations [(1) within the PR appropriation for law enforcement services at the Kickapoo Valley Reserve, reallocate $17,900 from limited-term employee and other miscellaneous salaries to $14,400 in supplies and services and $3,500 in fringe benefits; and (2) within the conservation fund SEG appropriation for Kickapoo Valley Reserve general operations, transfer $2,000 for permanent property acquisition to supplies and services].

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $258,200
PR	- 7,200
SEG	- 23,400
Total	- $288,800

Governor: Delete $144,400 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $129,100 GPR, $3,600 PR, and $11,700 SEG. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance costs reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $401,800	- 3.45

Governor: Delete $200,900 annually and 3.45 positions from Tourism's general operations appropriation to reflect the elimination of long-term vacant positions under the bill. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. BUDGET REDUCTIONS

GPR	- $129,600

Governor: Reduce Tourism general operations funding by $64,800 annually associated with a 10% reduction to supplies and other non-personnel costs.

5. TOURISM MARKETING FUNDING

GPR	$2,344,100
PR	2,382,000
Total	$4,726,100

Governor: Provide $2,344,100 GPR in 2012-13 and $1,191,000 tribal gaming PR annually for tourism marketing and promotion. Tourism has the following base funding for marketing and promotion activities: (a) $8,213,600 tribal gaming PR; (b) $1,597,100 transportation fund SEG; and (c) $160,000 tribal gaming PR for grants to regional tourism information centers (TICs). Although the statutes contain a GPR marketing appropriation, no expenditure authority has been granted since $5,186,400 was appropriated in 2004-05.

The following table shows the funding Tourism would have available for marketing activities in 2011-13 under the bill, including reductions under standard budget adjustments:

Tourism Marketing Appropriations
Governor

		2011-12		2012-13	
Appropriation	Base	Change	Total	Change	Total
Tourism marketing (GPR)	$0	$0	$0	$2,344,100	$2,344,100
Tourism marketing (Tribal PR)	8,213,600	1,184,300	9,397,900	1,184,300	9,397,900
TIC grants (Tribal PR)	160,000	0	160,000	0	160,000
Tourism marketing (Transportation SEG)	1,597,100	-1,200	1,595,900	-1,200	1,595,900
Total	$9,970,700	$1,183,100	$11,153,800	$3,527,200	$13,497,900

Tourism marketing appropriations fund a variety of activities, including: (a) advertising campaigns throughout Wisconsin and neighboring states to draw visitors to attractions; (b) joint effort marketing grants, which are disbursed to local organizations to assist with the promotion of seasonal, one-time, or new events, or notable destinations; (c) cooperative marketing efforts, in which Tourism makes advertising space available to Wisconsin businesses under banner ads or in e-mails as a means of providing such attractions with lower-cost options for reaching certain audiences; and (d) statutory earmarks for various activities. Tourism marketing expenditures in 2009-10 totaled $8.8 million.

6. TRANSFER ARTS BOARD TO DEPARTMENT OF TOURISM

	Funding	Positions
GPR	$1,492,000	3.00
FED	1,511,000	1.00
PR	89,800	0.00
Total	$3,092,800	4.00

Governor: Amend the statutory authorization for the Arts Board to delete references to administrative attachment to Tourism for limited purposes. Instead, specify the Arts Board is created in the Department of Tourism. Place statutory authorizations for Arts Board programs in subchapter III of Chapter 41 (Department of Tourism). Require the Tourism Secretary to appoint the Executive Secretary of the Arts Board, and specify that the Executive Secretary would serve outside the classified service and at the pleasure of the Tourism Secretary. Specify that all incumbent employees of the Arts Board would be transferred to Tourism on the effective date of the bill and that transferred employees would hold the same rights and status under state employment and civil service provisions as were held immediately prior to transfer.

Create a program for support of arts projects in Tourism and transfer the following appropriations: (a) general program operations [GPR]; (b) state aid for the arts [GPR]; (c) portraits of governors [GPR]; (d) arts challenge initiative grants [GPR]; (e) grants to the Milwaukee Foundation, Inc., for the High Point fund [GPR]; (f) the Wisconsin regranting program [GPR]; (g) gifts and grants for use in Arts Board operations [PR]; (h) gifts and grants for use in aids to individuals and organizations [PR]; (i) support of arts programs by the Wisconsin Artistic Endowment Foundation [PR]; (j) state aid for the arts for American Indian groups [tribal gaming PR]; (k) federal funds for Arts Board operations [FED]; and (L) federal funds for Arts Board grants and aids [FED].

Provide authority for expenditures and positions as shown in the following table:

Arts Board Budget and Positions

Appropriation	Source	Annual Funding	Positions
General operations	GPR	$270,000	3.00
State aid for the arts	GPR	359,300	---
Wisconsin regranting program	GPR	116,700	---
Gifts and grants - operations	PR	20,000	---
State aid for the arts - American Indian groups	PR	24,900	---
Federal funds - operations	FED	231,000	1.00
Federal funds - grants and aids	FED	524,500	---
Total		$1,546,400	4.00

Three positions listed above would be in the classified service, and the Executive Secretary position would be unclassified. (A technical correction to the state budget system would be required to reconcile with the bill.)

Under current law, the Arts Board is administratively attached to Tourism. Statutory provisions for administrative attachment provide that any duties assigned to an agency as prescribed by law are to be carried out independently of the administrative attachment. This includes rule-making procedures, licensing and regulation, or operations planning. Budget management, program coordination and other general functions are governed by the administrative attachment. For example, the Arts Board under current law retains the ability to establish its own program policies through its agency budget, including requesting changes to annual expenditure amounts. However, administrative aspects of budgeting, such as the submission of budget requests to the Department of Administration are carried out by Tourism.

Under the bill, the Arts Board would become a part of Tourism, and all aspects of the Board's functions would come under the direction of the Tourism Secretary. The Executive Secretary of the Arts Board would be akin to a division administrator in other agencies. The composition of the 15-member Arts Board would not be changed. [See entries under "Arts Board" for additional information.]

[Bill Sections: 168, 503 thru 517, 739, 1182, 1183, 1187 thru 1219, 1229 thru 1236, 1742 thru 1745, 2867, 2868, and 9104(2)]

7. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 1.0 GPR classified position and provide 1.0 GPR unclassified position under Tourism's general operations appropriation.

Under 2011 Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. Act 10 redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) would be moved from classified to unclassified service within specified agencies. The revised unclassified positions would be renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions would be at-will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of Act 10 in regards to the transfer of classified positions to unclassified positions as recommended by the Governor.

8. TRANSFER FILM PRODUCTION TAX CREDIT ADMINISTRATION TO TOURISM

Governor: Transfer administration of accreditation for the film production services tax credit and the film production company investment tax credit from the Department of Commerce (Commerce) to Tourism. Tourism would assume responsibilities for determining accredited productions and associated film production companies that would be eligible for each credit. Tourism would also assume responsibilities for determining the following: (a) for accredited productions, production expenses incurred during a taxable year; and (b) for film production companies, eligible expenses related to establishing a film production company. Tourism would be required to provide the Department of Revenue notification of eligible production costs for each accredited production, and also to provide to claimants a certification of the investments related to establishing a film production company in the state.

The bill would also provide Tourism with rule-making authority, under which the Department would likely specify procedures for determining accreditation and the cost bases on which claimants would seek tax credits. Commerce currently carries out such duties under administrative rule Comm 133. Also, the statutes specify claimants of the film production services tax credit must submit a fee with an application for accreditation, with the fee being 2% of the budgeted production expenditures up to $5,000. Commerce reports the fee has generated revenues of $5,100 as of March, 2011, since its creation under 2009 Act 28. Tourism would use an existing PR continuing appropriation for gifts, grants, and other proceeds for any tax credit application fees.

Under current law, companies can be certified for tax credits of up to $500,000 annually for certain film production-related expenditures. [See related entries under "General Fund Taxes -- Income and Franchise Taxes" for more information.]

[Bill Sections: 1874 thru 1877, 2004 thru 2007, 2115 thru 2118, and 3368]

TRANSPORTATION

	Budget Summary					FTE Position Summary				
				2011-13 Change Over Base Year Doubled					2012-13 Over 2010-11	
	2010-11	Governor					Governor			
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$76,374,600	$43,066,300	$268,774,300	$159,091,400	104.2%	0.00	0.00	0.00	0.00	0.0%
FED	778,046,700	844,880,900	850,881,800	139,669,300	9.0	900.86	863.79	843.79	- 57.07	- 6.3
PR	5,383,500	5,358,500	5,358,500	- 50,000	- 0.5	16.00	15.00	15.00	- 1.00	- 6.3
SEG	1,640,669,900	1,499,874,900	1,522,311,800	- 259,153,100	- 7.9	2,571.62	2,461.73	2,421.73	- 149.89	- 5.8
SEG-L	108,559,400	108,559,400	108,559,400	0	0.0	0.00	0.00	0.00	0.00	0.0
SEG-S	203,966,700	192,898,100	197,898,100	- 17,137,200	- 4.2	7.00	6.00	6.00	- 1.00	- 14.3
TOTAL	$2,813,000,800	$2,694,638,100	$2,953,783,900	$22,420,400	0.4%	3,495.48	3,346.52	3,286.52	- 208.96	- 6.0%
BR		$681,014,600								

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT

The following table shows the transportation fund condition statement reflecting revenues and expenditures under the provisions of the bill.

As shown in the table, the Governor's budget assumes a biennium-beginning balance of $0. This is based on the assumption that the Department will submit, and the Joint Committee on Finance will approve, a plan for reducing unencumbered balances in 2010-11 continuing appropriations by an amount (in addition to lapses from annual and biennial appropriations) sufficient to eliminate a projected transportation fund deficit. Without these actions, DOT's November 17, 2010, budget request projected that the fund would have a biennium-beginning deficit of $90.7 million. However, recent revenue collections have improved somewhat and the Department now believes that the deficit will be smaller, although a comprehensive reestimate has not yet been prepared.

	2011-12	2012-13
Unappropriated Balance, July 1	$0	$1,861,300
Revenues		
Motor Fuel Tax	$971,605,800	$970,605,800
Vehicle Registration Fees	612,398,300	606,623,600
Less Revenue Bond Debt Service	-196,285,100	-212,068,900
Auto-Related Sales Tax	0	35,127,000
Driver's License Fees	41,701,700	41,694,600
Miscellaneous Motor Vehicle Fees	28,794,700	28,793,800
Aeronautical Fees and Taxes	8,196,200	8,167,900
Railroad Property Taxes	25,717,900	25,717,900
Investment Earnings	3,559,400	10,867,500
Miscellaneous Departmental Revenues	40,186,300	40,444,900
Total Annual Revenues	$1,535,875,200	$1,555,974,100
Total Available	$1,535,875,200	$1,557,835,400
Appropriations and Reserves		
DOT Appropriations	$1,499,518,700	$1,521,955,600
Other Agency Appropriations	24,716,900	24,992,700
Less Estimated Lapses	-1,000,000	-1,000,000
Compensation and Other Reserves	10,778,300	8,399,300
Net Appropriations and Reserves	$1,534,013,900	$1,554,347,600
Unappropriated Balance, June 30	$1,861,300	$3,487,800

2. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS

Under the bill, revenue from three other funds that traditionally has been used to support programs other than transportation would be used to support transportation programs. These include the following provisions, which are summarized in more detail elsewhere: (a) the transfer of a portion of the sales and use tax on motor vehicles, parts, and accessories from the general fund to the transportation fund; (b) the use of general fund appropriations to support mass transit operating assistance; (c) the authorization of general fund-supported bonds for the state highway rehabilitation program; (d) conversion of the $9 vehicle environmental impact fee, which is deposited in the environmental fund, to an additional $9 title fee, which would be deposited in the transportation fund; and (e) a transfer from the petroleum inspection fund to the transportation fund. The following table summarizes the benefit to transportation programs from each of these provisions.

Other Fund Revenues Used To Support Transportation Programs

	2011-12	2012-13	Biennial Total
General Fund			
Sales Tax on Vehicles	$0	$35,127,000	$35,127,000
Mass Transit Appropriations	0	106,478,300	106,478,300
State Highway Rehabilitation Bonds	115,351,500	0	115,351,500
General Fund Subtotal	$115,351,500	$141,605,300	$256,956,800
Environmental Fund			
Shift Environmental Impact Fee	$10,500,000	$10,500,000	$21,000,000
Petroleum Inspection Fuud			
Transfer to Transportation Fund	$19,500,000	$19,500,000	$39,000,000
Grand Total	$145,351,500	$171,605,300	$316,956,800

3. FEDERAL HIGHWAY FORMULA AID

Governor: Reestimate federal highway formula aid at $715,340,300 in 2011-12 and $721,395,300 in 2012-13, which represents an above-base increase of $66,212,800 in 2011-12 and $72,267,800 in 2012-13. In federal fiscal year 2010, the state received $734.1 million, exceeding the amount reflected in the 2009-11 budget for that year by $85.0 million. Although the amount that the state will receive in federal fiscal year 2011 remains unknown, it is expected that the state will receive a similar amount as in 2010 if Congress continues current levels of aid through the end of the federal fiscal year. In that event, 2011 federal highway aid will again exceed the 2010-11 appropriation base. The estimate of aid reflected in the bill represents a slight decrease from the anticipated 2011 aid in both years, but those amounts would be an increase above the 2011 appropriation base.

The following table shows the changes to the appropriation base in the bill and the resulting distribution of federal highway formula aid. The most significant changes involve the redistribution of federal funds between state highway programs, reflecting the proposed restructuring of those programs, including the creation of a new program for southeast Wisconsin freeway megaprojects and the elimination of the southeast Wisconsin freeway rehabilitation program. Other federal funding changes are associated with the Department's estimate of the state's cost of supporting the Hiawatha passenger rail service between Chicago and Milwaukee, standard budget adjustments, and reductions for budget management measures (elimination of vacant positions and increasing employee contributions for pension and health insurance costs).

	Appropriation	Governor Change to Base		Governor Totals	
	Base	2011-12	2012-13	2011-12	2012-13
Local Transportation Facility Improvement	$72,272,900	-$34,900	-$34,900	$72,238,000	$72,238,000
Local Bridge Improvement	24,431,100	-21,500	-21,500	24,409,600	24,409,600
Rail Passenger Service	5,218,200	1,081,800	2,331,800	6,300,000	7,550,000
Railroad Crossing Improvements	3,297,100	-5,300	-5,300	3,291,800	3,291,800
Congestion Mitigation/ Air Quality Improvement	11,619,000	0	0	11,619,000	11,619,000
Trans. Enhancements Grants	6,251,600	0	0	6,251,600	6,251,600
Bicycle and Pedestrian Facilities	2,720,000	0	0	2,720,000	2,720,000
Safe Routes to School	3,230,100	0	0	3,230,100	3,230,100
State Highway Rehabilitation	313,554,500	80,766,300	85,616,400	394,320,800	399,170,900
Southeast WI Freeway Rehab.	109,732,200	-109,732,200	-109,732,200	0	0
Major Highway Development	78,693,100	-429,600	-429,600	78,263,500	78,263,500
Southwest WI Freeway Megaprojects	0	95,053,100	95,053,100	95,053,100	95,053,100
Departmental Mgmt. and Ops.	13,339,600	-485,100	-530,200	12,854,500	12,809,400
Administration and Planning	3,665,200	20,200	20,200	3,685,400	3,685,400
Highway Maint. And Traffic Ops.	1,102,900	0	0	1,102,900	1,102,900
Total	$649,127,500	$66,212,800	$72,267,800	$715,340,300	$721,395,300

4. TRANSFER OF SALES AND USE TAX ON MOTOR VEHICLES, PARTS, AND ACCESSORIES TO THE TRANSPORTATION FUND

SEG-REV	$35,127,000

Governor: Require the Department of Revenue to annually estimate the amount of sales and use tax on motor vehicles and motor vehicle parts and accessories, and deposit a percentage of that amount (as shown below) into the transportation fund, instead of, under current law, in the general fund. Require the estimate and deposit of these revenues to begin with revenues collected by the Department of Revenue on July 1, 2012, and specify that the percentage of total revenues deposited in the transportation fund shall be as shown in the following table, except that the amount deposited in 2012-13 may not exceed $35,127,000:

Fiscal Year	Percentage
2012-13	7.5%
2013-14	10.0
2014-15	15.0
2015-16	20.0
2016-17	25.0
2017-18	30.0
2018-19	35.0
2019-20	40.0
2020-21	45.0
2021-22, and annually thereafter	50.0

Increase estimated transportation fund revenue by $35,127,000 in 2012-13. A separate item, summarized under "General Fund Taxes -- General Sales and Use Tax," reflects the corresponding general fund revenue loss resulting from this change.

[Bill Sections: 881 and 2182]

5. VEHICLE TITLE FEE

SEG-REV	$21,000,000

Governor: Increase the vehicle title fee by $9, from $53 to $62, first applying to fees collected for original titles or title transfers on the general effective date of the bill. Increase estimated transportation fund revenues by $10,500,000 annually to reflect this increase. A separate item, summarized under "Natural Resources -- Air, Waste, and Contaminated Land," would eliminate the $9 vehicle environmental impact fee, paid upon each original title or title transfer application, resulting in a corresponding revenue reduction for the environmental fund. Consequently, while there would be a revenue change affecting both the transportation fund and the environmental fund, there would be no net change to the total amount paid for a vehicle title (except for titles for neighborhood electric vehicles, which are exempted from the environmental impact fee, but would be subject to the increased title fee).

[Bill Sections: 3131, 3133, and 9348(5)]

6. PETROLEUM INSPECTION FUND TRANSFER TO THE TRANSPORTATION FUND

SEG-REV	$39,000,000
SEG-Transfer	$39,000,000

Governor: Transfer $19,500,000 annually from the petroleum inspection fund to the transportation fund. This represents an increase of $11,200,000 over the $27,800,000 transferred in the 2009-11 biennium ($10,000,000 in 2009-10 and $17,800,000 in 2011-12). All of these amounts are in addition to a $6.3 million annual appropriation from the petroleum inspection fund to the transportation fund that began in 2004-05 and would be continued at the base level of $6,258,500 in each year of the 2011-13 biennium.

[Bill Section: 9210(1)]

7. TRANSPORTATION REVENUE BOND AUTHORIZATION

BR	$341,763,100

Governor: Provide increased revenue bonding authority of $341,763,100 for major highway development projects and administrative facilities. The increased authorization, when added to unused authority at the end of the 2009-11 biennium (estimated at $152,808,400), is the amount estimated to be needed for projects during the 2011-13 biennium, plus an additional amount for the following biennium to provide sufficient bonding authority to complete projects started in the 2011-13 biennium. The requested bonding authorization reflects the intended use of bond proceeds under the major highway development program ($154,721,600 in 2011-12 and $159,721,600 in 2012-13) and for improvements to administrative facilities ($5,940,000 annually).

[Bill Section: 2236]

8. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE

SEG-REV	- $47,748,400

Governor: Decrease estimated net transportation fund revenues by $15,982,300 in 2011-12 and $31,766,100 in 2012-13 to reflect increases in the amount of vehicle registration revenue needed to pay principal and interest on transportation revenue bonds. Revenue bond debt service is paid from vehicle registration revenue prior to that revenue being deposited in the transportation fund. Consequently, debt service payments are considered negative revenue rather than a transportation fund expenditure. Total transportation revenue bond debt service in 2010-11 is estimated at $180,302,800, while debt service payments under the Department's request are estimated to increase to $196,285,100 in 2011-12 and $212,068,900 in 2012-13.

9. TRANSPORTATION FUND-SUPPORTED GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST FREEWAY RECONSTRUCTION PROJECTS

SEG	$39,437,500

Governor: Increase funding for debt service payments on transportation fund-supported general obligation bonds by $15,989,600 in 2011-12 and $23,447,900 in 2012-13 to reflect debt service estimates on bonds authorized for southeast Wisconsin freeway reconstruction projects. The estimates in the bill reflect both an anticipated increase in debt service payments for existing bonds and payments for bonds that would be authorized under the bill. With this increase, total debt service payments on these bonds would be estimated at $41,826,400 in 2011-12 and $49,284,700 in 2012-13. The bill would authorize bonds totaling $151,200,000 for southeast Wisconsin freeway reconstruction projects (summarized under "Transportation -- State Highway Program").

10. TRANSPORTATION FUND-SUPPORTED GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER TRANSPORTATION PROJECTS

SEG	$24,404,300

Governor: Increase funding for debt service payments on transportation fund-supported general obligation bonds by $9,162,700 in 2011-12 and $15,241,600 in 2012-13 to reflect debt service estimates on bonds authorized for state highway rehabilitation and major highway development, freight rail, and harbor improvement projects. The estimates in the bill reflect both an anticipated increase in debt service payments for existing bonds and payments for bonds that would be authorized under the bill. With this increase, total debt service payments on these bonds would be estimated at $21,719,900 in 2011-12 and $27,798,800 in 2012-13. The bill would authorize bonds totaling $172,700,000 for these projects, including $60,000,000 for freight rail rehabilitation projects, $50,000,000 for state highway rehabilitation projects, $50,000,000 for major highway development projects (not including $341,763,100 in transportation revenue bonds authorized for these projects), and $12,700,000 for harbor improvement projects. These authorizations are separately summarized under "Transportation -- Local Transportation Projects" and "Transportation -- State Highway Program."

11. GENERAL FUND-SUPPORTED GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE

GPR	$153,907,800

Governor: Increase funding by $73,254,400 in 2011-12 and $80,653,400 in 2012-13 to reflect a reestimate of debt service payments on general fund-supported, general obligation bonds issued for highway projects. The estimates in the bill reflect both an anticipated increase in debt service payments for existing bonds and payments for bonds that would be authorized under the bill. With this increase, total debt service payments on these bonds would be estimated at $149,629,000 in 2011-12 and $157,028,000 in 2012-13. However, a separate item, summarized below, would restructure debt service payments on general fund-supported, general obligation bonds, which would reduce total debt service payments in 2011-12 and would result in a further increase in 2012-13. The bill would authorize $115,351,500 in general fund-supported, general obligation bonds for highway rehabilitation projects (summarized under "Transportation -- State Highway Program").

12. GENERAL FUND DEBT RESTRUCTURING

GPR	- $101,294,700

Governor: Decrease funding by $106,562,700 in 2011-12 and increase funding by $5,268,000 in 2012-13 to reflect estimated GPR debt service cost changes associated with the proposed restructuring of general obligation bond and commercial paper principal amounts that would otherwise be paid in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would roll over the principal due on its outstanding commercial paper in 2011-12 (see "Building Commission" for additional information regarding this provision). The $5,268,000 increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the 2011-12 restructured principal amounts. With this item, in combination with a reestimate of general fund-supported, general obligation bond debt service, summarized above, total debt service on these bonds would be estimated at $43,066,300 in 2011-12 and $162,296,000 in 2012-13.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS

SEG	- $48,197,900

Governor: Provide decreases in funding for general transportation aids as follows:

a. *County Aid.* Decrease funding by $329,400 in 2011-12 and $8,160,700 in 2012-13 to provide a total of $101,806,400 in 2011-12 and $93,975,100 in 2012-13. Set the calendar year distribution at $93,975,100 for calendar year 2012 and thereafter. This represents a 10% reduction from the 2011 aid level of $104,416,800 for calendar year 2012 and thereafter.

b. *Municipal Aid.* Decrease funding by $11,641,200 in 2011-12 and $28,066,600 in 2012-13 to provide a total of $312,082,000 in 2011-12 and $295,656,600 in 2012-13. Set the calendar year distribution at $295,656,600 for calendar year 2012 and thereafter. This represents a 10% reduction from the 2011 aid level of $328,507,300 for calendar year 2012 and thereafter.

Establish the mileage aid rate at $2,053 for calendar year 2012 and thereafter, which represents a 3% reduction to the 2011 rate of $2,117 per mile. Repeal the statutory references to 2008 and 2009 calendar year aid payment and mileage aid rate amounts.

The county and municipal aid appropriation levels in the bill would fully fund the calendar year 2011 increase in county and municipal aid provided under 2009 Act 28. The appropriation decreases are associated with the proposed 10% funding reduction for aid in calendar year 2012 and thereafter.

Minimum Payments. Specify that no county or municipality may receive a decrease in its general transportation aid payment in excess of 15% of its last previous calendar year aid payment. Under current law, no county may receive a decrease in its aid payment in excess of 2%, and no municipality may receive a decrease of more than 5%, of its last previous calendar year payment.

Penalty Provisions. Specify that the aids payment for any county or municipality that fails to submit a substantially complete and accurate financial report form or fails to conduct an independent audit ordered by the Department would be equal to 85% of the general transportation aids actually paid during the previous year. Under current law, the payment to a county or municipality is equal to 90% of the aid payment made in the previous year for failure to submit the reports or to conduct a required audit. In addition, for counties or municipalities that submit a late report, specify that the aid penalty of 1% of the current year aid payment for each day late cannot reduce the payment below 85% of the prior year payment, rather than 90% as under current law.

[Bill Sections: 2268 thru 2278]

2. MASS TRANSIT OPERATING ASSISTANCE -- FUNDING LEVEL

SEG	- $9,619,600

Governor: Provide decreases of $373,200 in 2011-12 and $9,246,400 in 2012-13, as follows: (a) -$216,400 in 2011-12 and -$5,360,100 in 2012-13 for Tier A-1 (Milwaukee); (b) -$56,800 in 2011-12 and -$1,408,400 in 2012-13 for Tier A-2 (Madison); (c) -$81,600 in 2011-12 and -$2,020,600 in 2012-13 for Tier B transit systems; and (d) -$18,400 in 2011-12 and -$457,300 in 2012-13 for Tier C transit systems. Set the calendar year distribution amounts at $61,724,900 for 2012 and thereafter for Tier A-1, $16,219,200 for 2012 and thereafter for Tier A-2, $23,267,200 for 2012 and thereafter for Tier B, and $5,267,000 for 2012 and thereafter for Tier C. This represents a 10% decrease from the 2011 mass transit operating assistance funding level to each tier of mass transit systems for calendar year 2012 and thereafter. Repeal statutory references relating to aid payments for each tier of systems for calendar years 2008 and 2009.

The appropriation levels in the bill would fully fund the calendar year 2011 increase in mass transit operating assistance provided in 2009 Act 28. The appropriation decreases are associated with the proposed 10% funding reduction for aid in calendar year 2012 and thereafter.

[Bill Sections: 2246, 2248, 2252, and 2254]

3. MASS TRANSIT OPERATING ASSISTANCE -- CONVERT FUNDING TO GPR

GPR	$106,478,300
SEG	- 106,478,300
Total	$0

Governor: Provide $106,478,300 GPR in 2012-13 and make a corresponding reduction of $106,478,300 SEG in 2012-13 to reflect the conversion of DOT's mass transit operating assistance program funding from the transportation fund to the general fund. Effective July 1, 2012, renumber the mass transit operating assistance appropriations and specify that the appropriations would be made from the general fund. In addition, modify the references to the appropriations under DOT's urban mass transit assistance program to reflect the renumbering.

[Bill Sections: 606 thru 610, 2247, 2249 thru 2251, 2253, 2255, and 9448(5)]

4. MASS TRANSIT OPERATING ASSISTANCE -- 2013-15 BUDGET RECOMMENDATIONS REGARDING FEDERAL TRANSIT AID CHANGES

Governor: Require the Department, in submitting its 2013-15 biennial budget request, to recommend changes to the distribution percentages and funding amounts of the urban mass transit operating assistance program in response to any changes in federal funding due to the 2010 decennial census.

The Federal Transit Administration provides federal operating assistance to mass transit systems that provide service to nonurbanized areas of the state with 50,000 or less in population and to systems that provide service to urbanized areas of state with between 50,000 and 200,000 in population. Transit systems that provide service to urbanized areas over 200,000 in population are only eligible for federal capital funding. The urbanized areas served by certain state systems (Appleton and Green Bay) are expected to exceed 200,000 in population under the 2010 decennial census, and would no longer be eligible for operating assistance under current federal law. The potential change in federal operating assistance for these systems would affect the state and federal funding percentages and amounts for each system within the tier of systems (Tier B) that includes these two systems.

[Bill Section: 9148(2)]

Local Transportation Assistance

1. ELIMINATE SOUTHEAST WISCONSIN TRANSIT CAPITAL ASSISTANCE PROGRAM

BR	- $100,000,000

Governor: Repeal the southeast Wisconsin transit capital assistance program and delete $100,000,000 in general fund supported bonding associated with the program. Delete references to the transit capital assistance program under the current, GPR debt service appropriation that would be used to make debt service payments on bonds issued for the program.

Under 2009 Act 28, DOT is required to develop and administer a southeast Wisconsin transit capital assistance program. Act 28 provided $100,000,000 in general fund supported, general obligation borrowing for the program for the purpose of making transit capital improvement grants to the southeastern regional transit authority. No grants have been made under the program and the bonds have not been issued.

[Bill Sections: 622, 787, 2241, and 2727]

2. REGIONAL TRANSIT AUTHORITY REFERENDUM REQUIREMENTS

Governor: Specify that the Dane County regional transit authority (RTA), the Chequamegon Bay RTA, and the Chippewa Valley RTA may not impose the sales and use taxes authorized under current law unless a question as to whether the RTA may impose the taxes is approved at a referendum held within the RTA's jurisdictional area. In addition, specify that the southeastern RTA may not impose a vehicle rental fee within its jurisdictional area (Kenosha, Milwaukee, and Racine counties) unless the question of whether the RTA may impose these fees is approved at referendum in each of the three counties. Specify that if an RTA has already imposed sales and use taxes or a vehicle rental fee before the effective date of the bill, such taxes and fees would be suspended on the first day of the thirteenth month beginning after the effective date of the bill and would remain suspended until the referendum requirement is satisfied.

Specify that the relevant RTA board of directors, in conjunction with the appropriate local county and municipal officials, would be responsible for calling the referendum. Provide that if a referendum is held, the relevant RTA board would be required to promptly provide the Department of Revenue with the referendum results. A referendum on the imposition of sales and use taxes by an RTA would be effective on the first day of the first calendar quarter that begins 120 days after the affirmative result of the referendum.

2009 Act 28 allowed for the creation of Dane County, Chequamegon Bay, and Chippewa Valley RTAs and provided each RTA, if created, the authority to impose sales and use taxes within their jurisdictional areas at a rate not to exceed 0.5%. Act 28 specifically created the southeastern RTA and allowed it to impose up to an $18 per transaction vehicle rental fee. To date, no RTA has imposed sales and use taxes, and the southeastern RTA has not yet imposed a vehicle rental fee.

[Bill Sections: 1679, 1680, 1729, 1730, and 2183]

3. INTERCITY BUS ASSISTANCE PROGRAM

SEG	- $2,457,200

Governor: Delete $1,228,600 annually to reflect the repeal of the state funding appropriation for the intercity bus assistance grant program and the elimination of DOT's authority to make such grants. In addition, delete the current law provision that allows the Department's local transit and transportation-related aids, local funding appropriation to be used for the intercity bus assistance program. The Department would retain the authority to contract with private providers of intercity bus service to support intercity bus service routes using federal funds under the Department's federal transit and transportation-related funds appropriation.

2009 Act 28 created an intercity bus assistance program administered by the Department and established $1,228,600 in base level funding for the program. The program allows the Department to contract with intercity bus providers and provide grants to political subdivisions to support intercity bus service using allowable federal, state, and local appropriations.

[Bill Sections: 604, 605, and 2257 thru 2267]

4. MILWAUKEE TO CHICAGO PASSENGER RAIL SERVICE

SEG	$4,288,300
FED	3,413,600
Total	$7,701,900

Governor: Provide $1,375,400 SEG and $1,081,800 FED in 2011-12 and $2,912,900 SEG and $2,331,800 FED in 2012-13 to fund estimated costs of the state's share of Amtrak's Hiawatha service between Milwaukee and Chicago. When combined with base funding for the service, the total of Wisconsin's share of the cost is estimated at $8,900,000 in 2011-12 and $11,687,500 in 2012-13, which includes the cost of the state's contract with Amtrak as well as maintenance costs of new passenger car equipment. New passenger cars are expected to be put into service in 2012. Historically, Wisconsin has paid 75% of the cost of the Amtrak contract, while Illinois has paid 25%.

5. BICYCLE AND PEDESTRIAN FACILITIES PROGRAM

SEG	- $5,000,000

Governor: Reduce funding by $2,500,000 annually to eliminate all base SEG funding for the bicycle and pedestrian facilities grant program. Federal base funding of $2,720,000 for the program would be maintained in both years under the bill.

6. FREIGHT RAIL PRESERVATION PROGRAM BONDING

BR	$60,000,000

Governor: Provide $60,000,000 in transportation fund-supported, general obligation bond authorization for the freight rail preservation program. The bonds authorized for this program may be used to acquire abandoned railroad lines or make improvements on lines already owned by the state to upgrade them to modern freight rail standards. Private railroad companies operate on the state-owned lines. The bonding provided by the bill is the same amount provided in the 2009-11 biennium. Once fully issued, debt service on these bonds would be about $4.8 million annually, although the bill does not include a specific estimate of the debt service on these bonds in the biennium.

[Bill Section: 795]

7. HARBOR ASSISTANCE PROGRAM BONDING

BR	$12,700,000

Governor: Provide $12,700,000 in transportation fund-supported, general obligation bond authorization for the harbor assistance program, which is the same amount provided in the 2009-11 biennium. Once fully issued, debt service on these bonds would be about $1.0 million annually, although the bill does not include a specific estimate of the debt service on these bonds in the biennium.

[Bill Section: 794]

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM FUNDING SUMMARY

Governor: The following tables compare total funding for state highway programs in 2010-11 with proposed funding for those programs in the 2011-13 biennium. As described in several items in this section of the summary, the highway improvement program structure would be modified under the bill, which makes it difficult to provide funding comparisons between the base year and the two years of the biennium for individual programs. Consequently, these tables provide a total for all improvement programs, to allow a comparison of the total amount of resources devoted to highway improvement projects.

Since the highway improvement program relies on both current revenues (SEG and FED) and bond proceeds to fund program activity, both tables include a column (2010-11 base plus bonding) that adds the bonding provided for each program in 2010-11 to the 2010-11 adjusted base. The tables include three types of bonding: (a) general obligation bonds with GPR debt service; (b) general obligation bonds with SEG debt service; and (c) revenue bonds. A 2009 Act 28 provision required the addition of $102,356,100 to the 2010-11 adjusted base for the state highway rehabilitation program, which was the amount of GPR-supported bonding approved for the program in 2010-11. In order to avoid double counting this amount, the figures in the "2010-11 base plus bonding" column show this funding as bonding and do not include it in the SEG base. Following the first table, which provides detail by program, is a second table, which breaks down the total funding for the improvement program by current revenues (SEG/FED) and bonding.

Highway Improvement Funding Under Governor's 2011-13 Budget

	2010-11 Adjusted Base	2010-11 Base Plus Bonding	Governor's Budget 2011-12	Governor's Budget 2012-13
State Highway Rehab.				
SEG	$394,963,900	$292,607,800*	$270,150,900	$394,822,800
FED	313,554,500	313,554,500	394,320,800	399,170,900
Gen. Ob. Bonds (GPR)	0	102,356,100	115,351,500	0
Gen. Ob. Bonds (SEG)	0	30,000,000	32,000,000	18,000,000
Total	$708,518,400	$738,518,400	$811,823,200	$811,993,700
SE Wis. Freeway Rehab.				
SEG	$68,497,100	$68,497,100	$0	$0
FED	109,732,200	109,732,200	0	0
Gen. Ob. Bonds (SEG)	0	125,125,000	0	0
Total	$178,229,300	$303,354,300	$0	$0
SE Wis. Freeway Megaprojects				
SEG	$0	$0	$32,946,900	$45,747,000
FED Discretionary	0	0	95,053,100	95,053,100
Gen. Ob. Bonds (SEG)	0	0	104,000,000	47,200,000
Total	$0	$0	$232,000,000	$188,000,100
Major Highway Development				
SEG	$98,235,400	$98,235,400	$112,039,100	$110,577,700
FED	78,693,100	78,693,100	78,263,500	78,263,500
Revenue Bonds	165,721,600	165,721,600	154,721,600	159,721,600
Gen. Ob. Bonds (SEG)	0	25,000,000	27,000,000	23,000,000
Total	$342,650,100	$367,650,100	$372,024,200	$371,562,800
Improvement Program Total	$1,229,397,800	$1,409,522,800	$1,415,847,400	$1,371,556,600

*In order to avoid double-counting, this figure excludes $102,356,100 which was added to the base under a provision of 2009 Act 28 to replace bonding.

Highway Improvement Funding Summary

	2010-11 Base Plus Bonding	Governor's Budget 2011-12	Governor's Budget 2012-13	Change to Base Plus Bonds Doubled Amount	Change to Base Plus Bonds Doubled %
SEG/FED	$961,320,100	$982,774,300	$1,123,635,000	$183,769,100	9.6%
Bonding	448,202,700	433,073,100	247,921,600	-215,410,700	-24.0
Total	$1,409,522,800	$1,415,847,400	$1,371,556,600	-$31,641,600	-1.1%

2. SOUTHEAST WISCONSIN FREEWAY REHABILITATION PROGRAM RESTRUCTURING

SEG	- $136,994,200
FED	- 219,464,400
Total	- $356,458,600

Governor: Delete $68,497,100 SEG and $109,732,200 FED annually from the appropriations for southeast Wisconsin freeway rehabilitation to eliminate all base funding for the program. Specify that a southeast Wisconsin freeway rehabilitation project may be funded from the current appropriations and bond authorizations provided for state highway rehabilitation projects, if the project does not meet the definition of either: (a) a southeast Wisconsin freeway megaproject (created in a separate item, summarized below); or (b) a major highway development project (a definition that is modified in a separate item, summarized below). Specify that a southeast Wisconsin freeway rehabilitation project may be funded from the appropriations and bond authorizations provided for the major highway development program if the project meets the definition of a major highway development project.

Under current law, no funds may be spent from the appropriations for the southeast Wisconsin freeway rehabilitation program after July 1, 2011. However, provisions that prohibit southeast Wisconsin freeway rehabilitation projects from being funded from the state highway rehabilitation or major highway development program appropriations are retained after that date under current law provisions. This item would allow southeast Wisconsin freeway rehabilitation projects to be funded from either of those programs' appropriations or bond authorizations, if they meet the relevant definitions for the respective programs and do not fall into the newly-created project classification for southeast Wisconsin freeway megaprojects. Specifically, under the proposed changes, any noncapacity expansion southeast Wisconsin freeway rehabilitation project that has a total estimated cost of less than $75 million or a project that involves capacity expansion that is less than $30 million, would be funded under the state highway rehabilitation program. Any project with an estimated cost that is above those thresholds, but below $500 million (the megaproject threshold), would be funded under the major highway development program.

Modify a provision that requires DOT to maintain an inventory of completed project designs in each of the highway improvement programs to eliminate the requirement with respect to the southeast Wisconsin freeway rehabilitation program.

Separate items in the bill would provide funding increases and bonding authorization for the state highway rehabilitation, major highway development, and southeast Wisconsin freeway megaprojects programs, although, in total, those increases would not fully allocate the funding reductions in this item.

[Bill Sections: 614 thru 620, 788, 789, 2201, 2207, 2208, 2217, and 2218]

3. STATE HIGHWAY REHABILITATION FUNDING

SEG	- $123,390,300
FED	175,908,300
BR	165,351,500
Total	$217,869,500

Governor: Adjust the funding for the state highway rehabilitation program as follows: (a) provide $85,529,100 FED in 2011-12 and $90,379,200 FED in 2012-13; (b) reduce funding by $8,679,600

SEG in 2011-12 and provide an increase of $640,800 SEG in 2012-13; (c) reduce the SEG appropriation by $115,351,500 in 2011-12 and authorize an equal amount of general fund-supported, general obligation bonds to replace the SEG funds; and (d) authorize $50,000,000 in transportation fund-supported, general obligation bonds for state highway rehabilitation projects ($10,000,000 less than the amount provided in the 2009-11 biennium). The Department indicates that the transportation fund-supported, general obligation bonds would be allocated between both years of the biennium, with $32,000,000 used in 2011-12 and $18,000,000 used in 2012-13. The bill does not reflect specific debt service estimates that would be paid in the biennium for the bonds authorized for the program. However, when fully issued, it is estimated that annual debt service would be about $12.8 million for the general fund-supported bonds, and about $4.0 million for the transportation fund-supported bonds.

In addition to this item, the total funding for the state highway rehabilitation program would be affected by the following other items: (a) standard budget adjustments ($999,100 SEG annually); (b) reductions to reflect increases in the employee contributions for pension and health insurance costs (-$1,182,900 SEG and -$3,057,800 FED annually); and (c) reductions to reflect the elimination of certain vacant positions (-$598,100 SEG and -$1,705,000 FED annually). Total funding for the program would be $811,823,200 in 2011-12 and $811,993,700 in 2012-13.

Making comparisons between the base year funding and the amounts that would be provided under the bill is difficult for various reasons. Notably, program responsibilities would be modified by other items in the bill. Certain southeast Wisconsin freeway rehabilitation projects would be funded under the state highway rehabilitation program, instead of under the southeast Wisconsin freeway rehabilitation program, and, conversely, certain large state highway rehabilitation projects would become the responsibility of the major highway development program. The table at the beginning of this section provides a comparison of the current and proposed funding for all highway improvement programs, individually and in total.

[Bill Sections: 791 and 793]

4. MAJOR HIGHWAY DEVELOPMENT FUNDING

SEG	$27,615,800
SEG-S	- 17,000,000
BR	50,000,000
Total	$60,615,800

Governor: Provide $14,538,600 SEG in 2011-12 and $13,077,200 SEG in 2012-13, and reduce funding by $11,000,000 SEG-S in 2011-12 and $6,000,000 in 2012-13 for the major highway development program. Authorize $50,000,000 in transportation fund-supported, general obligation bonds for the program, which the Department indicates would be allocated between both years of the biennium, with $27,000,000 used in 2011-12 and $23,000,000 used in 2012-13. The $50,000,000 in general obligation bonds is the same amount that was provided for the program in the 2009-11 biennium. The bill does not reflect specific debt service estimates that would be paid in the biennium for the general obligation bonds authorized for the program. However, when fully issued, it is estimated that annual debt service would be about $4.0 million.

In addition to this item, the total funding for the major highway development program would be affected by the following other items: (a) standard budget adjustments ($30,100 SEG annually); (b) reductions to reflect increases in the employee contributions for pension and health insurance costs (-$508,000 SEG and -$275,800 FED annually); and (c) reductions to reflect the elimination of certain vacant positions (-$257,000 SEG and -$153,800 FED annually). Total funding for the program would be $372,024,200 in 2011-12 and $371,562,800 in 2012-13.

In addition to the funding changes in this item, program responsibilities would be modified, making it difficult to make a true comparison between base year funding for the program and the funding provided in the bill. The table at the beginning of this section provides a comparison of the current and proposed funding for all highway improvement programs, individually and in total.

[Bill Section: 792]

5. MAJOR HIGHWAY DEVELOPMENT PROJECT ENUMERATION

Governor: Enumerate four major highway development projects in the statutes, as shown in the table below. The cost estimates shown for each project are from information provided by the Department to the Transportation Projects Commission in 2010. Major highway development projects must be enumerated in the statutes prior to construction.

Highway	Segment	Length (In Miles)	Counties	Estimated Cost in 2010 Dollars (In Millions)
I-90/39	Ill. State Line to USH 12/18	45	Dane & Rock	$715
USH 10/STH 441	Winnebago CTH CB to Oneida St.	5	Calumet & Winnebago	390
STH 15	STH 76 to USH 45	11	Outagamie	125
STH 38	Racine CTH K to Oakwood Rd.	9	Milwaukee & Racine	125
	TOTAL			$1,355

[Bill Sections: 2211 thru 2214]

6. MAJOR HIGHWAY DEVELOPMENT PROJECT DEFINITION

Governor: Modify the definition of a major highway development project to: (a) include any project that has a total cost of more than $75,000,000, whether or not the project involves highway capacity expansion, except for southeast Wisconsin freeway rehabilitation projects with a total cost exceeding $500,000,000 (the cost threshold for southeast Wisconsin freeway megaprojects under the bill); and (b) increase the cost threshold for capacity expansion projects from $5,000,000 to $30,000,000. [The current law thresholds for what is considered "capacity expansion" would not be changed (adding one or more lanes five miles or more in length, relocating 2.5 miles or more of existing highway, constructing a new highway of 2.5 miles or more in length, or the improvement of 10 miles or more of an existing divided highway to freeway standards).]

Require the Department to annually adjust the project definition cost thresholds ($75 million and $30 million) to reflect the annual change in the Department's transportation price index, yearly moving average, or, if at any time the Department no longer maintains that index, another suitable index as determined by the Department. Require the Department to compute and publish the adjustment prior to October 1 of each year, beginning in 2012, and specify that the adjusted amount shall become effective on October 1. Specify that the Department may not adjust the cost thresholds to an amount less than $75,000,000 or $30,000,000, respectively. Specify that the adjustment of these amounts does not constitute an administrative rule.

Establish an alternate Transportation Projects Commission (TPC) review and approval procedure, in lieu of the current procedure, for highway projects that meet the definition of a major highway development project because they exceed the $75,000,000 cost threshold. Require the Department, under this procedure, to submit a report to the TPC, prior to the construction of such a project, that requests the TPC's approval to proceed with the project. Specify that if the chairperson of the TPC (the Governor) does not notify the Department, within 14 working days after the request is submitted, that the TPC has scheduled a meeting to review the request, the request is considered approved and the Department may proceed with the project. Specify that if the chairperson notifies the Department, within 14 working days, that the TPC has scheduled a meeting for the purpose of reviewing the request, the Department may implement the request only as approved by the TPC, including any modification made by the TPC.

Specify that the Department may not proceed with construction of any major highway development project meeting the $75,000,000 cost threshold until the TPC approves the Department's request, but that once approved, the project does not need to be individually enumerated in the statutes for the Department to proceed with construction. Specify that the Department's report to the TPC containing such a request may be submitted at any time following the completion of a draft environmental impact statement or environmental assessment.

Specify that major highway development projects that meet the $75,000,000 cost threshold are exempt from the TPC review and approval procedures and individual enumeration requirement established for other major highway development projects, including: (a) the requirement that the TPC must approve the project for the preparation of an environmental impact statement or environmental assessment; (b) the requirement that the project, to be recommended for construction, must be able to be started within six years under the current budget for the program; and (c) the requirement that the project be given a numerical score on various criteria for the purposes of consideration by the TPC.

Modify a provision that permits the Department to engage in preliminary engineering and design work on a possible major highway development project prior to enumeration (but no construction or, unless approved by the TPC, no work on an environmental impact statement or environmental assessment), to allow DOT to perform any engineering or design work (eliminate the word "preliminary"). Potential projects that are below the $75,000,000 threshold would still be subject to the provision that requires the TPC to approve the preparation of an environmental impact statement or environmental assessment before the Department can proceed with such preparation.

Specify that these changes would first apply to highway projects for which preliminary engineering and design work commences after the general effective date of the bill, except for the provision that allows the Department to proceed with any engineering (as opposed to preliminary engineering) on a potential project prior to enumeration, which would apply to any project on the effective date of the bill.

As drafted, the modifications to the Transportation Projects Commission procedures with respect to projects that exceed the $75,000,000 threshold, including the passive review procedure, and the exemption from other Commission review requirements, would apply to any project that exceeds that threshold. This includes capacity expansion projects that would meet the current law definition of a major highway development project. However, the Department of Administration indicates that the intent of the provision was to establish these alternate procedures only for costly rehabilitation projects that would not otherwise be classified as a major highway development project, since they do not exceed the capacity expansion thresholds.

[Bill Sections: 59 thru 61, 2202 thru 2206, 2209, 2210, 2215, 2237, 2726, and 9348(6)]

7. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS PROGRAM

Governor: Create a new category of highway improvement project, termed a "southeast Wisconsin freeway megaproject," defined as any project on a southeast Wisconsin freeway having a total cost of more than $500 million. Create new SEG, FED, and SEG-L continuing appropriations for southeast Wisconsin freeway megaprojects and specify that any megaproject may be funded only from these appropriations or from the existing bond authorization for the Marquette Interchange and I-94 North-South freeway projects. Prohibit the Department from encumbering or expending any moneys for construction of a megaproject unless the project is enumerated in the statutes. Enumerate the I-94 North-South freeway project and Zoo Interchange project, as those projects are defined in current law. Modify the existing bonding authorization for the Marquette Interchange and I-94 North-South freeway projects to specify that these bonds may be used for the Zoo Interchange project or any southeast Wisconsin freeway megaproject.

Require the Department to annually adjust the $500 million megaproject cost threshold to reflect the annual change in the Department's transportation price index, yearly moving average, or, if at any time the Department no longer maintains that index, another suitable index as determined by the Department. Require the Department to compute and publish the adjustment prior to October 1 of each year, beginning in 2012, and specify that the adjusted amount shall become effective on October 1. Specify that the Department may not adjust the cost thresholds to an amount less than $500 million. Specify that the adjustment of these amounts does not constitute an administrative rule.

Exclude megaprojects from the definition of a major highway development project and specify that a megaproject is not considered a southeast Wisconsin freeway project for the purposes of determining funding eligibility under that program. Modify the statutory language for the major highway development and state highway rehabilitation appropriations to specify that these appropriations may not be used for funding southeast Wisconsin freeway megaprojects.

[Bill Sections: 611 thru 620, 623, 788 thru 790, 2202, 2218, 2219, 2234, and 2726]

8. I-94 NORTH-SOUTH FREEWAY PROJECT

SEG	$29,747,000
FED	95,053,100
BR	70,200,000
Total	$195,000,100

Governor: Provide $10,710,200 SEG and $71,289,800 FED in 2011-12 and $19,036,800 SEG and $23,763,300 FED in 2012-13 in the new southeast Wisconsin freeway megaprojects appropriations for the I-94 North-South freeway project and authorize $70,200,000 in transportation fund-supported, general obligation bonds for that project. The North-South freeway project extends from the vicinity of the Mitchell Interchange (I-894/94/43) in Milwaukee County to the Illinois state line. Construction on the project began in 2008-09.

Of the bonds authorized for the project, the Department indicates that $70,000,000 would be used in 2011-12 and $200,000 would be used in 2012-13, which would result in total funding for the project of $152,000,000 in 2011-12 and $43,000,100 in 2012-13. The bonds shown in this item reflect the amount that the Department indicates would be allocated to the project from a total authorization of $151,200,000 for southeast Wisconsin freeway megaprojects, with the remainder being allocated for the Zoo Interchange reconstruction project. The bill does not reflect specific debt service estimates that would be paid in the biennium for the bonds authorized for the project. However, when fully issued, it is estimated that annual debt service would be about $5.6 million.

The following table shows the proposed funding allocation between the two years of the biennium for the project.

Fund Source	2011-12	2012-13	Biennial Total
FED	$71,289,800	$23,763,300	$95,053,100
SEG	10,710,200	19,036,800	29,747,000
Bonds	70,000,000	200,000	70,200,000
Total	$152,000,000	$43,000,100	$195,000,100

The funding provided by the bill for the I-94 North-South freeway represents a modification to the previous expenditure plan for the project. The Department indicates that the funding provided by the bill would be used to reconstruct selected interchanges and frontage roads, and complete work on selected segments of the mainline freeway in Kenosha County. In the following two biennia, work would continue on other interchanges, but remaining work to complete the mainline freeway would be delayed. Whereas the Department's plan had previously been to complete all interchanges and the entire mainline in 2016, the revised plan would delay work on most segments of the mainline freeway until 2018 and thereafter.

[Bill Section: 790]

9. ZOO INTERCHANGE RECONSTRUCTION PROJECT

SEG	$48,946,900
FED	95,053,100
BR	81,000,000
Total	$225,000,000

Governor: Provide $22,236,700 SEG and $23,763,300 FED in 2011-12 and $26,710,200 SEG and $71,289,800 FED in 2012-13 in the new southeast Wisconsin freeway megaprojects appropriations for the Zoo Interchange reconstruction project and authorize $81,000,000 in transportation fund-supported, general obligation bonds for that project. The Zoo Interchange is the intersection of I-94, I-894, and USH 45 in western Milwaukee County.

Of the bonds authorized for the project, the Department indicates that $34,000,000 would be used in 2011-12 and $47,000,000 would be used in 2012-13, which would result in total funding for the project of $80,000,000 in 2011-12 and $145,000,000 in 2012-13. The bonds shown in this item reflect the amount that the Department indicates would be allocated to the project from a total authorization of $151,200,000 for southeast Wisconsin freeway megaprojects, with the remainder being allocated for the I-94 North-South freeway project. The bill does not reflect specific debt service estimates that would be paid in the biennium for the bonds authorized for the project. However, when fully issued, it is estimated that annual debt service would be about $6.5 million.

The following table shows the proposed funding allocation between the two years of the biennium for the project.

Fund Source	2011-12	2012-13	Biennial Total
FED	$23,763,300	$71,289,800	$95,053,100
SEG	22,236,700	26,710,200	48,946,900
Bonds	34,000,000	47,000,000	81,000,000
Total	$80,000,000	$145,000,000	$225,000,000

The Department indicates that the funding would be used for preliminary engineering, final design, real estate acquisition, utility relocation, and for the initial construction on adjacent highways, including STH 100.

[Bill Section: 790]

10. MAJOR INTERSTATE (BOUNDARY) BRIDGE PROJECTS

Governor: Eliminate a current law restriction on the use of bonds authorized for major interstate bridge projects that specifies that such bonds may only be issued if the state receives at least $75,000,000 in federal funds that are designated by the federal government specifically for a major interstate bridge project. Major interstate bridge projects are defined as the construction or reconstruction of a bridge on the state trunk highway system, including approaches, that crosses a river forming a boundary of the state and for which the state's estimated cost share is at least $100,000,000. Under current law, $225,000,000 in bonds are authorized for such a project. With the proposed modification, the Department could issue up to $225,000,000 in bonds for such projects without meeting the federal grant precondition. The proposed Stillwater bridge project, in St. Croix County, is the only project currently under development that meets the definition of a major interstate bridge project.

[Bill Sections: 2220 and 2221]

11. STATE HIGHWAY MAINTENANCE FUNDING

SEG	$11,747,800

Governor: Provide $3,923,300 in 2011-12 and $7,824,500 in 2012-13 for the state highway maintenance and traffic operations program, which would be an increase of 2.0% annually. Total program funding would also be affected by the following other items: (a) standard budget adjustments ($822,200 annually); (b) reductions to reflect increases in the employee contributions for pension and health insurance costs (-$903,000 annually); and (c) reductions to reflect the elimination of certain vacant positions (-$456,700 annually). Total funding for the program would be $198,446,700 in 2011-12 and $202,347,900 in 2012-13. Base amounts for the program's FED appropriation ($1,102,900) and a SEG appropriation for the operation of state-owned lift bridges ($2,210,100) would not be changed by the bill.

Motor Vehicles

1. FUNDING AND POSITION REDUCTIONS

	Funding	Positions
SEG	- $8,764,700	- 30.67

Governor: Reduce funding by $6,299,800 in 2011-12 and $2,464,900 in 2012-13, and delete 5.67 positions in 2011-12 and 30.67 positions in 2012-13 for the Division of Motor Vehicles. Of these funding and position reductions, a portion would be associated with specific process changes that the Department intends to implement to yield savings, while other reductions reflect decreases in available personnel or supplies and services purchases, without an offsetting reduction in workload. The following initiatives are in the first category: (a) several initiatives to increase process automation, for a savings of $351,300 and 5.67 positions annually; (b) an initiative to use postcards, rather than inserts in envelopes, for driver's license and identification card renewal notices, for a savings of $63,800 in 2011-12 and $85,000 in 2012-13; and (c) a decision to reduce mailings made under the safety responsibility program, for a savings of $24,500 annually. The personnel and supplies and services reductions include: (a) holding positions vacant and eliminating positions at the end of the biennium, a reduction of $2,912,700 in 2011-12 and $1,549,300 and 25.00 positions in 2012-13; (b) a reduction of $1,655,200 in 2011-12 and $100,000 in 2012-13 in supplies and services expenditures; (c) a reduction of $731,000 in 2011-12 for various vendor contract purchases; (d) a reduction of $104,800 in 2011-12 in overtime expenditures; and (e) a reduction of $101,700 in 2011-12 in the LTE budget. Finally, this item reflects a reduction of $354,800 annually in a separate appropriation for the vehicle emissions inspection program, to reflect an anticipated decrease in the amount for the state's contract with the program vendor. The position and funding reductions under this item are in addition to a separate item that would eliminate other vacant positions in various Department divisions. Under that item, which is summarized under "Transportation--Departmentwide," the positions in the Division of Motor Vehicles would be reduced by 35.92 annually, for an annual savings of $1,899,700.

2. FEDERAL REAL ID ACT IMPLEMENTATION; ISSUANCE OF NONCOMPLIANT LICENSES AND IDENTIFICATION CARDS

SEG	$4,526,000

Governor: Provide $2,370,000 in 2011-12 and $2,156,000 in 2012-13 for costs associated with implementing the federal Real ID Act, as it applies to the issuance of driver's licenses and identification cards. Of this amount, $1,386,000 annually would be for higher costs associated with the security features included on the cards, another $534,000 in 2011-12 and $570,000 in 2012-13 would be for higher postage costs for mailing cards from a central location, rather than issuing cards over the counter at the time of application, and $450,000 in 2011-12 and $200,000 in 2012-13 would be for public outreach related to the new documentation requirements. The Department indicates that its intention is to begin partial implementation of Real ID Act requirements in May, 2011, and the funding provided by the bill would be for additional costs incurred in the 20011-13 biennium as other requirements are met.

Authorize the Department to process an application for, and issue or renew, a driver's license or identification card without meeting certain document processing and verification procedures (described below) provided that: (a) the license or card is marked, in accordance with the federal Real ID Act, in a manner that clearly states that it may not be used by any federal agency for federal identification, and uses a unique design and color to distinguish it as such; and (b) the license or card is processed and issued or renewed in compliance with applicable Department practices and procedures in effect prior to the date that the Department implements application procedures in concurrence with the federal Real ID Act. The document processing and verification procedures that would be exempted under this provision were adopted in state law in 2007 Act 20 to comply with the federal Real ID Act, but do not become effective until the Department posts a notice in the Wisconsin Administrative Register indicating that the Department is ready to implement the provisions. The federal Real ID Act permits states to issue driver's licenses and identification cards that do not comply with the Act's issuance standards, provided that they are given a distinct appearance. The Real ID Act requirements that would be waived are: (a) a requirement that the Department make a digital copy of each document presented in the course of the application; and (b) a requirement that the Department verify the authenticity of all documents according to federal standards and record the date of verification in the person's driver record. Although the Department would not have to follow the Real ID document processing and verification procedures, the applicant for either a compliant or noncompliant driver's license or identification card would be required to submit the same documentation, which includes: (a) an identification document that includes either the applicant's photograph, or both the applicant's full legal name and date of birth; (b) documentation showing the applicant's date of birth; (c) proof of the applicant's social security number or verification that the applicant is not eligible for a social security number; (d) documentation showing the applicant's name and address of principal residence; and (e) documentation proving that the applicant is a U.S. citizen or is legally present in the United States. Specify that these provisions take effect on July 1, 2011, or on the date of the implementation of the state's Real ID Act procedures, as published by the Department in a notice in the Administrative Register, whichever is later.

Authorize the Department, effective with the implementation of the Real ID Act provisions, to process an application for a non-Real ID Act-compliant driver's license without taking a photograph of the applicant and issue a license to the applicant without a photograph if the applicant provides an affidavit that: (a) states that he or she has a sincerely held religious belief against being photographed; (b) identifies the religion to which he or she belongs or the tenets of which he or she adheres to; and (c) states that the tenets of the religion prohibit him or her from being photographed. Authorize the Department, effective on the general effective date of the bill, to process an application for a non-Real ID Act-compliant identification card without taking a photograph of the applicant and issue an identification card without a photograph if the applicant provides such an affidavit. Under current law, the Department, by administrative rule, provides for a driver's license to be issued without a photograph for religious reasons, but does not provide such an exception for the issuance of an identification card.

Increase the expiration period for a temporary driving receipt (issued to a person upon application for a license to be used while the application is being processed) from not more than 30 days to not more than 60 days, effective on the general effective date of the bill. Authorize the Department, also on the general effective date of the bill, to issue a receipt to any applicant for an identification card that would constitute a temporary identification card while the application is being processed, valid for a period not to exceed 60 days (such a provision is in current law, but will not become effective until the Real ID Act implementation date). Provide that a temporary driving receipt issued for a non-Real ID Act-compliant driver's license or identification card must comply with the design and marking standards established for such licenses and cards. Delete a provision that specifies that a temporary driving receipt issued to a person who applies for a driver's license after previously being licensed in another state may not authorize the operation of commercial motor vehicles. Modify provisions related to certain temporary licenses, to require a photograph for occupational licenses and for temporary receipts issued while a driver's license application is being processed.

[Bill Sections: 3144, 3145, 3147 thru 3164, 3172 thru 3180, and 9448(2)&(4)]

3. ELIMINATE LICENSE PLATE STICKERS

SEG	- $798,000

Governor: Reduce funding by $266,000 in 2011-12 and $532,000 in 2012-13 to reflect savings associated with eliminating requirements, as summarized below, for the issuance and display of license plate stickers indicating the period of registration and expiration date, and for certain vehicles, the weight class of the vehicle, or other specific identifiers.

Eliminate the requirement that license plates display the period for which the specific plate is issued or the date of expiration of the registration, and the requirement that plates issued for certain vehicles registered on the basis of gross weight display the weight class into which the vehicle falls (the weight class would continue to be shown on the certificate of registration). Eliminate a specific requirement, with respect to the registration of automobiles, that the license plate display both a three-letter abbreviation for the month of registration and the year of registration. Eliminate a provision that permits the Department to issue a sticker as evidence of registration upon renewal in lieu of issuing a new plate, and instead specify that the Department is not required to issue a new plate upon registration renewal. Eliminate a requirement that vehicles registered specifically for use by persons issued a special restricted driver's license be issued a license plate with a tag, decal, or other identification indicating the restricted nature of the allowable operation and specify, instead, that such restrictions be indicated on the certificate of registration for the vehicle.

Modify the definition of "unregistered motor vehicle" in provisions related to the removal of such vehicles by law enforcement officers to eliminate references to "valid registration plates" and "evidence of registration" and, instead, specify that an unregistered vehicle is one which does not have a registration plate for which the Department's vehicle registration records indicate valid registration. Modify various other statutory provisions to eliminate references to license plate stickers and decals.

Specify that these provisions would take effect on the first day of the seventh month beginning after the general effective date of the bill and would first apply to applications for registration or registration renewal received on that day.

[Bill Sections: 3089 thru 3097, 3103 thru 3105, 3110, 3113 thru 3121, 3127, 3493, 9348(4), and 9448(3)]

4. COMMERCIAL DRIVER'S LICENSE SYSTEM MODIFICATIONS TO COMPLY WITH FEDERAL REQUIREMENTS

SEG	$1,172,600

Governor: Provide $1,172,600 in 2011-12 for costs of updating commercial driver's license practices to conform to federal requirements with respect to medical certifications for drivers who operate in interstate commerce. Authorize the Department to downgrade the commercial driver's license, for any person who does not have a current medical certification covering the driver's physical qualifications, to restrict the licensee to operating a commercial motor vehicle only in intrastate commerce. Require the Department to promulgate an administrative rule to: (a) define the term "downgrade" in accordance with federal law and regulations or guidance from the applicable federal agency; (b) establish a process for downgrading a commercial driver's license, including specifying whether or not a new commercial driver's license document would be issued after a downgrade; and (c) establish the process for reinstating a downgraded commercial driver's license after the Department receives a valid medical certification or other appropriate certification of physical qualifications.

New federal medical certification requirements will go into effect on January 30, 2012, related to medical certificates for commercial motor vehicle drivers. Currently, although federal regulations require a driver to receive a medical certificate every two years to operate a commercial motor vehicle in interstate commerce, the state licensing agency is not required to monitor compliance with this requirement on an ongoing basis or take licensing action against a driver who does not maintain such certification. In Wisconsin, the Department of Transportation only checks for a valid medical certificate upon initial license application and upon license renewal, every eight years, and records only whether or not a valid certification was provided. The federal changes will require the Department to solicit information on medical certifications on a two-year cycle and provide notification to the national commercial driver's license information system as to the certification status of all drivers operating in interstate commerce. Furthermore, instead of recording only whether the driver has a valid medical certificate or not, the Department will have to record more information on medical certification, such as the medical examiner's name, date of physical examination, and any medical restrictions. The funding provided by this item would be used to implement these process changes, including the data processing upgrades necessary to: (a) provide notification to drivers of the pending expiration of medical certification on a two-year cycle; (b) provide for a license downgrading process resulting from the expiration of a medical certification; (c) create a process for notifying employers of commercial motor vehicle drivers of changes in the medical certification status of their employees; and (d) create a process for maintaining the required detailed information on medical certification for each driver with the national commercial driver's license information system.

[Bill Section: 3146]

5. ONLINE RENEWAL OF IDENTIFICATION CARDS; ELECTRONIC NOTICE OF RENEWAL REQUIREMENTS

	Funding	Positions
SEG	- $123,900	- 2.00

Governor: Permit the Department to renew an identification card by mail or by any electronic means available to the Department, provided that the Department does not make consecutive renewals by mail or electronic means. Authorize the Department to provide notice of an expiring driver's license, hazardous materials transportation endorsement, or identification card by electronic means, if desired by the holder of the license, endorsement, or card, instead of by mail, as required by current law. Reduce funding by $123,900 and delete 2.0 positions in 2012-13 for the Division of Motor Vehicles to reflect anticipated savings associated with these provisions.

[Bill Sections: 3165 thru 3167, 3177, 3178, 3181, 3182, and 9448(2)]

6. CLASS D SKILLS TEST FEE

	Funding	Positions
SEG	- $49,400	- 0.40

Governor: Reduce the number of tests that a person who pays the first $15 fee for a Class D (regular automobile) driver's license skills test is entitled to take from three to two, and for each subsequent $15 fee from three to one, first applying to skills test fees paid on the general effective date of the bill. Under this modification, a person who fails two tests must pay another $15 fee each time the person takes the test again, whereas a person may fail three tests before having to pay an additional fee under current law, with each subsequent fee also paying for three tests. Reduce funding by $24,700 and delete 0.4 positions annually to reflect anticipated savings resulting from this change.

[Bill Sections: 3168, 3169, and 9348(3)]

7. ELECTRONIC BUSINESS TRANSACTIONS

	Positions
SEG	- 13.00

Governor: Transfer $500,000 SEG annually from the permanent salary line in the appropriation for the Division of Motor Vehicle to the supplies and services line to provide funding for the implementation of various process changes designed to increase electronic processing of certain transactions. Eliminate 13.00 positions in 2012-13 to reflect workload reductions associated with implementing these process changes. Modify statutory provisions, as follows, to facilitate the adoption of electronic business transactions.

Conducting Business in an Electronic Format. Authorize the Department to establish procedures for conducting any transaction in an electronic format or using an electronic process, and specify that any form prescribed by the Department may be prescribed in an automated format to facilitate electronic processes. Permit the Department to promulgate rules requiring a person to pay a fee, in addition to any other fee that may be imposed by the Department, for conducting an in-person, telephone, or paper transaction in lieu of using an electronic filing or submission option when the Department has made such an option available. Specify that the rules may provide for exemptions from the additional fee for designated categories of persons or transactions.

Accepting Electronic Payment of Fees. Permit DOT to accept payment by credit card, debit card, or any other electronic payment mechanism of any fee that is required to be paid to the Department, instead of, under current law, any fee contained in the statutory chapters related to motor vehicles and driver licensing. Under current law, the Department may charge a convenience fee for any payment made by credit card, debit card, or other electronic means, to cover credit card charges or other costs associated with offering electronic payment options. This authority would apply to any new electronic payment method created as a result of this provision.

Vehicle Titles Delivered to Holder of Security Interest. Require the Department to deliver the certificate of title for a vehicle for which there is a perfected security interest to the secured party having the primary perfected security interest in the vehicle, instead of, under current law, to the owner of the vehicle. Modify various statutory provisions related to title transactions to reflect that a vehicle owner may not be the holder of a vehicle title. Specify that these provisions first apply to title applications submitted on January 1, 2012, although authorize the Department to issue and deliver certificates of title, for six months after that date, under the laws in effect prior to that date.

Security Interest Transactions. Modify a current law provision that requires the

Department to deliver memoranda to a secured party evidencing the notation of a new security interest on a vehicle title, to specify that this requirement only applies in cases where the secured party is exempt from a current law requirement that security interest statements be electronically processed.

Renewal of Registration Plates for Certain Vehicles. Authorize the Department to renew registration plates issued to motor vehicle dealers, distributors, manufacturers, transporters, or financial institutions without issuing new plates or insert tags, decals, or other evidence of registration. Eliminate a requirement that a registration plate issued to these entities must indicate the date of expiration.

[Bill Sections: 2242 thru 2245, 2720, 2721, 2724, 3096, 3109, 3111, 3112, 3128 thru 3130, 3134 thru 3143, 3188, 9148(1), 9348(2), and 9448(1)]

8. MOTOR CARRIER SAFETY PROGRAM

SEG	$96,800

Governor: Provide $96,800 in 2011-12 for data processing changes necessary to allow the state to fully implement the commercial motor carrier performance and registration information system management (PRISM) program, which is a federal and state initiative to monitor the safety performance of motor carrier firms. Modify statutory provisions, as described below, to allow the state to implement elements of the PRISM program.

Require the Department to suspend the vehicle registration for any commercial motor vehicle registered under the International Registration Plan (IRP) for interstate operation, or refuse to register such a vehicle, if the vehicle has been identified by the federal Motor Carrier Safety Administration (MCSA) as having been assigned for safety to a motor carrier whose business is operated, managed, or otherwise controlled or affiliated with a person who has been issued a federal out-of-service order for unsatisfactory safety compliance, in accordance with federal regulations for such orders. Require the Department, likewise, to suspend the registration of, or refuse to register, any such vehicle for which the registration application identifies a motor carrier as the motor carrier responsible for the safety of the vehicle, upon receiving notice (or having received notice, in the case of registration refusal) that the motor carrier has been issued a federal out-of-service order for unsatisfactory safety compliance.

Authorize the Department to suspend the vehicle registration of a motor vehicle registered under the IRP, or refuse to register such a vehicle, if the Department determines that the motor carrier identified on the vehicle's registration application as the motor carrier responsible for safety of the vehicle is the same or substantially the same business as a motor carrier that has been issued a federal out-of-service order for unsatisfactory safety compliance, or that elements of the motor carrier operation are the same business elements, or substantially the same. Authorize the Department to seize and destroy the registration plates of any motor vehicle that is registered under the IRP and for which the registration application identifies a motor carrier that has been issued an out-of-service order for unsatisfactory safety compliance as the motor carrier responsible for safety of the vehicle. Prohibit the Department from issuing a 72-hour operation permit to any motor vehicle for which the permit application identifies a motor carrier that has been issued a federal out-of-service order for unsatisfactory safety compliance as the motor carrier responsible for the safety of the vehicle.

Specify that a vehicle that the Department has refused to register under the IRP or has suspended the IRP registration under these provisions, may be registered under any other applicable provision (for instance, intrastate operations), subject to all applicable requirements and fees. Specify that a person whose registration has been suspended under these provisions is not entitled to any credit for any registration fee previously paid, but that if the motor vehicle's registration under the IRP is reinstated after the registration period has expired, the person is entitled, upon renewal of the IRP registration, to a credit for the registration fee paid for a non-IRP registration, calculated based upon the unused portion of that registration.

Modify the definition of an operating a commercial motor vehicle while subject to an out-of-service order violation to include operating a commercial motor vehicle for which the responsible motor carrier has been issued a federal out-of-service order for unsatisfactory safety performance.

Specify that these provisions first apply to notices of out-of-service orders or permit or registration applications received by the Department on the general effective date of the bill. Specify that the change to the definition of operating while subject to an out-of-service order first applies to offenses committed on the general effective date, but does not preclude the counting of other violations as prior violations for the purpose of administrative action by the Department or for sentencing by a court.

[Bill Sections: 3086 thru 3088, 3107, 3108, 3122 thru 3126, 3170, 3171, and 9348(1)]

State Patrol

1. STATE PATROL FUNDING REDUCTIONS

SEG	- $5,439,700

Governor: Reduce funding by $3,637,800 in 2011-12 and $1,801,900 in 2012-13 for the Division of State Patrol. The Department indicates that these funding reductions would be absorbed through maintaining vacancies and, where possible, patrolling within construction zones as part of regular shifts, rather than using overtime.

2. STATE PATROL DISPATCH EQUIPMENT UPGRADE

SEG	$641,800

Governor: Provide $320,900 annually to upgrade State Patrol dispatch communications equipment. The funding would be used to make the first two annual payments, including interest, on a seven-year, master lease purchase, totaling $1,812,400. This initiative would complete the third phase of the replacement of communications equipment to comply with Federal Communication Commission mandates to utilize narrowband digital equipment. The first two phases, for which funding was provided in the previous two biennia, upgraded mobile radio and tower equipment.

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
SEG	$31,773,400	0.00
FED	2,826,800	- 21.00
SEG-S	52,800	0.00
PR	271,800	0.00
Total	$34,924,800	- 21.00

Governor: Provide adjustments to the base budget for: (a) turnover reduction (-$3,766,100 SEG and -$49,700 FED annually); (b) removal of noncontinuing elements (-$678,000 SEG annually and -$22,600 FED and -1.0 FED position in 2011-12 and -$121,800 FED and -21.0 FED positions in 2012-13); (c) full funding of continuing position salaries and fringe benefits ($16,083,100 SEG, $1,408,400 FED, $11,400 SEG-S, and -$37,600 PR annually); (d) overtime ($2,876,500 SEG, $121,500 FED, $14,700 SEG-S, and $173,500 PR annually); (e) night and weekend salary differential ($267,500 SEG, $5,400 FED, and $300 SEG-S annually); and (f) full funding of lease costs and directed moves ($1,103,700 SEG annually). This summary item excludes the elimination of base funding for the southeast Wisconsin freeway rehabilitation program, which is classified as removal of noncontinuing elements (-$68,497,100 SEG and -$109,732,200 FED annually), since these changes are summarized above (under "Transportation -- State Highway Program") in an item related to the restructuring of the southeast Wisconsin freeway rehabilitation program.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

SEG	- $17,802,000
FED	- 8,263,600
SEG-S	- 59,200
PR	- 156,400
Total	- $26,281,200

Governor: Delete $13,140,600 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $8,901,000 SEG, $4,131,800 FED, $29,600 SEG-S, and $78,200 PR. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
SEG	- $12,668,000	- 103.82
FED	- 4,857,600	- 36.07
SEG-S	- 130,800	- 1.00
PR	- 165,400	- 1.00
Total	- $17,821,800	- 141.89

Governor: Delete $8,910,900 (all funds) and 141.89 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $6,334,000 SEG and 103.82 SEG positions, $2,428,800 FED and 36.07 FED positions, $65,400 SEG-S and 1.0 SEG-S position, and $82,700 PR and 1.0 PR position annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 3.0 SEG classified positions and provide 3.0 SEG unclassified positions in the Department's departmental management and operations appropriation.

Under 2011 Act 10, 38 classified positions are transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) will be moved from classified to unclassified service within specified agencies. The revised unclassified positions were renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions are at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of 2011 Act 10 in regards to the transfer of classified positions to unclassified positions.

5. REALLOCATION OF POSITIONS AND FUNDING BETWEEN DEPARTMENT DIVISIONS

Governor: Transfer 4.0 positions and associated funding within DOT appropriations to reflect a reallocation of those positions between Department divisions. There is no net fiscal effect of this item. The position transfers would be as follows: (a) a program manager position from the Division of Motor Vehicles to the Division of Transportation System Development; (b) an information systems automation specialist position from the Division of Transportation System Development to the Division of Business Management; (c) an engineering chief position from the Division of Transportation System Development to the Division of State Patrol; and (d) a transportation planning position from the Division of Transportation Investment Management to the Division of Transportation System Development.

6. DEPARTMENTWIDE OPERATIONS REDUCTIONS

SEG	- $5,768,100

Governor: Reduce funding by $4,514,600 in 2011-12 and $1,253,500 in 2012-13 in various administrative appropriations. The reductions would be absorbed primarily through salary and fringe benefit savings resulting from holding positions vacant and a reduction in contractual services. These reduction amounts would be allocated among the Department's appropriations as follows: (a) -$2,803,500 in 2011-12 and -$398,100 in 2012-13 for the departmental management and operations appropriation; (b) -$1,627,100 in 2011-12 and -$821,400 in 2012-13 in the administration and planning appropriation; (c) -$50,000 in 2011-12 in the rail service appropriation; and (d) -$34,000 annually in the aeronautics assistance appropriation.

UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY

Budget Change Item

1. TRANSFER LEASE AND AFFILIATION AGREEMENTS WITH UW BOARD OF REGENTS TO UW-MADISON BOARD OF TRUSTEES

Governor: Transfer the lease and affiliation agreements and all contracts between the UW System Board of Regents and the University of Wisconsin Hospitals and Clinics Authority (UWHCA) to the UW-Madison Board of Trustees. Modify current law to specify that three members of the UW-Madison Board of Trustees appointed by the chairperson of that board would serve as members of the UWHCA board. Under current law, three members of the UW System Board of Regents appointed by the President of that Board serve on the UWHCA board. Replace all references to the UW Board of Regents or the UW System with references to the UW-Madison Board of Trustees or UW-Madison except as follows: (a) modify language referencing UW System students to reference both UW-Madison students and students of UW System institutions; and (b) retain references to the UW System Board of Regents in obsolete provisions governing former UW System employees.

As drafted, the bill is inconsistent regarding the transfer of on-campus facilities and any improvements, modifications, and other facilities constructed by UWHCA on state land in the case that the lease or the affiliation agreement would not be in effect or any modification or extension of the lease agreement is not approved, which should be addressed with a corrective amendment.

[Bill Sections: 179 thru 182, 2788 thru 2792, 2796 thru 2817, and 9152(1)]

UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS BOARD

Budget Summary						FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
PR	$153,739,500	$0	$0	- $307,479,000	- 100.0%	2,609.38	0.00	0.00	- 2,609.38	- 100.0%

Budget Change Item

1. DELETE BASE FUNDING AND POSITIONS TO REFLECT ELIMINATION OF THE BOARD IN 2011 ACT 10

	Funding	Positions
PR	- $307,479,000	- 2,609.38

Governor: Delete $153,739,500 and 2,609.38 positions annually to reflect the provisions of 2011 Act 10 that eliminated the University of Wisconsin Hospitals and Clinics Board and transferred its employees to the University of Wisconsin Hospitals and Clinics Authority.

UNIVERSITY OF WISCONSIN-MADISON AUTHORITY

Budget Summary						FTE Position Summary
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	
GPR	$0	$377,696,000	$462,233,100	$839,929,100	N.A.	There are no positions authorized for the University of Wisconsin-Madison.
PR	0	90,066,200	94,506,400	184,572,600	N.A.	
SEG	0	25,870,000	25,870,000	51,740,000	N.A.	
TOTAL	$0	$493,632,200	$582,609,500	$1,076,241,700	N.A.	

Budget Change Items

Create UW-Madison Authority

1. CREATE UW-MADISON AUTHORITY

Governor: Create an authority, which would be a public body corporate and politic, to be known as the "University of Wisconsin-Madison." Create a chapter in the statutes titled "University of Wisconsin-Madison." Establish the mission and purpose of UW-Madison which would be the same as the mission and purpose established for UW-Madison by the UW System Board of Regents except that language related to how UW-Madison would fulfill its mission would be omitted. Provide that, on the effective date of the bill, the UW System would transfer all assets, liabilities, including real property, tangible personal property, including records, moneys in the university trust funds, and pending matters that relate to the operation of UW-Madison, as determined by the DOA Secretary, to the UW-Madison authority. Provide that all employees holding positions in the UW System assigned to UW-Madison would be transferred to UW-Madison. Provide that all contracts entered into by the Board of Regents that are primarily related to the operation of UW-Madison, as determined by the DOA Secretary, and the lease and affiliation agreements with the UWHCA Board of Directors would remain in effect and would be transferred to the Board of Trustees. Provide that the Board of Trustees would carry out any obligations under each transferred contract or agreement until that contract or agreement is modified or rescinded. Specify that any cooperative agreement or memorandum of understanding between UW-Madison and another institution within the UW System for any academic, research, or outreach program or activity would continue regardless of any changes in the structure or mechanism of funding for the program or activity. Provide that such agreements and memoranda of understanding could be modified upon the mutual agreement of the Board of

Trustees and the other institution or if funds are no longer appropriated for that program or activity. Provide that all policies and procedures of the UW System that relate to the operation of UW-Madison and all policies and procedures of UW-Madison would become the policies and procedures of the UW-Madison authority until they expire or are modified or rescinded by the Board of Trustees. Provide that the Board of Trustees would enforce certain rules promulgated by the Board of Regents related to the protection of people and the management of property until the Board of Trustees promulgates such rules. Provide that the Board of Regents would provide the UW-Madison authority with the usual and customary services provided and any other services or resources necessary to complete these transfers until the Board of Trustees notifies the Board of Regents that these transfers have been completed.

[Bill Sections: 818, 1087, 1103, 1104, 1109, and 9152(1)]

2. UW-MADISON BOARD OF TRUSTEES: MEMBERSHIP

Governor: Create a Board of Trustees of UW-Madison consisting of the following: (a) 11 members appointed by the Governor, including at least one member of the Board of Regents and one member representing the agricultural interests of this state; (b) two faculty members selected by the faculty; (c) one UW-Madison employee who is not a faculty member selected by UW-Madison employees who are not faculty; (d) two UW-Madison alumni selected by the Wisconsin Alumni Research Foundation (WARF) Board; (e) two UW-Madison alumni selected by the Wisconsin Alumni Association Board; (f) two UW-Madison alumni selected by the UW Foundation Board; and (g) one UW-Madison student selected by the UW-Madison students. Require that at least seven of the 11 Trustees appointed by the Governor be alumni of UW-Madison. Provide that the UW-Madison chancellor would serve as a nonvoting member of the Board of Trustees.

Specify additional qualifications for members appointed by the WARF Board, the Wisconsin Alumni Association Board, the UW Foundation Board, and the Governor, except for the member appointed from the Board of Regents and the members representing the agricultural interests of this state. Require that these members must have a demonstrated commitment to the welfare of UW-Madison and must have management experience or possess expertise in aspects of UW-Madison's mission, such as undergraduate, graduate, and professional education, research, intellectual property, support of existing industries, new business startups, and public service.

Except for initial appointments, provide that all Trustees would be appointed to three-year terms except that the student Trustee would be appointed to a two-year term. Specify that no Trustee would be able to serve more than two consecutive terms and that the student Trustee would not be able to serve more than one term. Specify that a vacancy on the Board of Trustees would be filled in the same manner as the original appointment for the remainder of the incumbent's term.

Initial Appointments. Provide initial appointments of varying lengths so that the terms of Trustees would be staggered and that, after the initial appointments, no more than eight new members would be appointed to the Board of Trustees in any one year except for in the case of a vacancy. Specify that the member of the Board of Regents, the member representing the agricultural interests of this state, two other members appointed by the Governor, one faculty member, the university employee member, and the two members appointed by the WARF Board would initially be appointed to terms expiring May 1, 2014. Specify that four members appointed by the Governor, the two alumni members selected by the Wisconsin Alumni Association, and the student member would initially be appointed to terms expiring May 1, 2013. Specify that three members appointed by the Governor, a faculty member, and both members appointed by the UW Foundation would initially be appointed to terms expiring May 1, 2012.

[Bill Sections: 1087 and 9155(2)]

3. UW-MADISON BOARD OF TRUSTEES: ADDITIONAL PROVISIONS

Governor: Provide that no member of the Board of Trustees could be compensated for his or her service but could be reimbursed for expenses, including travel. Provide that an action could not be brought against a member of the Board of Trustees and a member of the Board of Trustees would not be liable for any act or omission in the performance of his or her duties as a member of the Board of Trustees. This provision would not apply if the act or omission constitutes willful misconduct.

Provide that the Board of Trustees would annually elect a chairperson and other officers as considered appropriate. Provide that eleven voting members would constitute a quorum and that the Board of Trustees could take action upon a vote of a majority of the members present, unless the bylaws of the authority would require a larger number.

Provide that the Board of Trustees would appoint a secretary who would keep records of all its transactions. Provide that the state treasurer would serve as the treasurer for all funds appropriated to the Board of Trustees.

Provide that Board of Trustees' meetings would be open and all records of meetings and all proceedings of the Board of Trustees would be open to public inspection. Require the Board of Trustees to establish policies for access to the Board by the public, faculty, students, and employees.

[Bill Section: 1087]

4. BOARD OF TRUSTEES POWERS AND DUTIES

Governor: Provide that the Board of Trustees would have all the powers necessary or convenient to carry out the purposes and provisions of the proposed chapter which would create the UW-Madison authority. Under current law, the UW System Board of Regents similarly possessed all powers necessary or convenient for the operation of the UW System except as limited by statute. Provide that the UW-Madison Board of Trustees would be granted the following specific powers: (a) adopt, amend, and repeal any bylaws, policies, and procedures for the regulation of its affairs and the conduct of its business; (b) have a seal and alter the seal at pleasure; (c) maintain an office; (d) accept gifts, grants, loans, or other contributions from private and public sources; (e) establish UW-Madison's annual budget and monitor the fiscal management of UW-Madison; and (f) execute contracts and other instruments required for the operation of UW-Madison.

Provide that the UW-Madison Board of Trustees would have the following powers and duties which are identical to powers and duties of the UW System Board of Regents under current law: (a) police authority on properties subject to its jurisdiction; (b) the right to seek injunctive relief; (c) procurement of insurance; (d) confering of degrees; (e) parking fees; (f) transportation planning; (g) the authority to acquire land by condemnation; (h) use of auxiliary enterprise reserve funds established prior to 1971; (i) tax deferred annuities for the benefit of employees; (j) contributions to the football coaches pension plan; (k) discipline for students who uses controlled substances or their analogs; (L) the provision of information on sexual assault and sexual harassment during new student orientation; (m) prior approval of and a process for submitting projects to the building commission for approval; (n) prohibition against providing financial assistance to any person who is required to register for selective service and has not done so; (o) accommodations for students who are national guard members who withdraw as the result of being called up for active duty; (p) permit the reserve officer training corps to operate on campus; and (q) prohibit the use of general purpose revenue, tuition, or academic fees for the chancellors' automobile allowance.

Provide that the UW-Madison Board of Trustees would have powers related to the protection of people and the management of property identical to the powers and duties of the UW System Board of Regents except that: (a) the Board of Trustees would not require the prior approval of the Building Commission to permit the construction of a facility that would be privately owned or operated on lands under its control; (b) purchases and sales of real property would not be subject to the approval of the Building Commission; (c) DOA would not be responsible for Board of Regents leases of real property; and (d) the Board of Trustees would not need to approval of the Building Commission to sell or lease residence halls to another state agency or nonstate nonprofit agency.

In addition, provide that the UW-Madison Board of Trustees would have the following powers and duties which would differ from the power and duties of the UW System Board of Regents as specified: (a) with regard to the admission of applicants, specify no test based upon color, creed, disability, ancestry, age, sexual orientation, pregnancy, marital status, or parental status should ever be allowed in addition to the tests prohibited under current law governing the admission to UW System institutions; (b) with regard to transfer policies, the Board of Trustees would not be required to establish and maintain a computer-based transfer system; (c) application fees would not be capped at $44 for undergraduates and $56 for graduates with $3 from each fee being used to support the higher education location program; (d) with regard to financial aid, the Board of Trustees would not be required to develop and submit a proposed formula for the Wisconsin higher education grant program for UW System (and, under the bill, UW-Madison) students to the Higher Educational Aids Board; (e) with regard to parking rules, fines collected would not be deposited into the state treasury and credited to auxiliary enterprises appropriation; (f) with regard to the investment of surplus funds, permit any surplus funds to be invested instead of just surplus funds in the auxiliary enterprises appropriation; (g) in regard to a library depository, do not limit the Board of Trustee's authority to expend funds for the purchase of land, the construction of buildings, and the purchase of depository facilities to funds appropriated in the appropriation schedule; and (h) with regard to sabbatical leave for instructional faculty, do not require that funds be provided from the general program operations appropriation.

Provide that the UW-Madison Board of Trustees would have the following current law powers and duties of the UW System Board of Regents which would be deleted under the bill: (a) expend university fund income appropriated by the Legislature for the erection of buildings and the purchase of equipment or books on or at UW-Madison; (b) establish a Gaylord Nelson chair of integrated environmental students; and (c) ensure that UW-Madison report utility charges to fund debt service on the Walnut Street and Charter Street power plants and prohibit the Board of Regents from assessing utility charges until those charges are approved by the Department of Administration. The power granted under (b) would differ from current law in that the bill would not specify that the UW-Madison Board of Trustees could seek private funding for the chair.

Additional current law power and duties of the UW System Board of Regents would not be provided to the UW-Madison Board of Trustees. These would include: (a) delay commencement of the fall semester until after September 1; (b) provision of services for educational study and research projects to school districts; (c) designate staff to coordinate compliance with state and federal environmental laws; (d) identify and collect significant state documents related to administration and academic programs; (e) promote public awareness of, access to, and training of health professionals in rural and underserved areas; (f) report on the expenditure of certain program revenues in excess of the amount shown in the appropriation schedule (another provision of the bill would delete this requirement for the UW System Board of Regents); (g) report on certain economic development programs funded administered by the Board; (h) conduct research on preschool through postsecondary education programs in cooperation with the Department of Public Instruction (DPI), the Wisconsin Technical College System Board (WTCS), and the Wisconsin Association for Independent Colleges and Universities; (i) categorize and report on management and staff positions; (j) work with WTCS, school districts, private school, tribal schools, and DPI to research and present models and approaches for improving school safety and reducing discipline problems in schools and school activities; (k) report on courses for which tuition covers 100% of costs; (L) prohibit the Board to offer, resell, or provide telecommunications services that are available from a private or other public carrier or entity; (m) pay dues to the Midwestern Higher Education Compact; (n) report on the number of limited appointments, concurrent appointments, and back-up positions; (o) review of contracts with research companies for conflicts of interest; and (p) carry on research and educational programs related to soil and water conservation and prepare an annual report on planned educational activities in this area.

[Bill Sections: 953, 961, 963, and 1087]

5. RULE MAKING

Governor: Provide that UW-Madison would be subject to statutes governing the promulgation of rules when making the following rules as would be required under the bill: (a) rules to protect the lives, health, and safety of persons on property under its jurisdiction and to protect such property and to prevent obstruction of the functions of the university; (b) rules for the management of all property under its jurisdiction, for the care and preservation thereof, and for the promotion and preservation of the orderly operation of the university in any or all of its authorized activities; (c) rules prescribing the times, places, and manner in which political literature may be distributed and political campaigning may be conducted in state-owned residence halls; and (d) rules regulating the parking of motor vehicles on property under its jurisdiction. Under the bill, UW-Madison would not be subject to statutes governing the promulgation of rules in all other cases.

[Bill Section: 2725]

6. ESTABLISHMENT OF TUITION

Governor: Provide that the Board of Trustees would establish tuition rates and that different tuition rates could be charged to different classes of students, summer sessions, and other studies or courses. Provide that the Board of Trustees would establish fees incidental to enrollment in educational programs or use of UW-Madison facilities. Under the bill, the UW-Madison authority would not be required to deposit tuition revenues in the state treasury and these revenues would not appear in the appropriation schedule.

Under current law, the UW System Board of Regents establishes tuition rates for different classes of students enrolled in UW System institutions, summer sessions, and other studies or courses as deemed advisable by the Board of Regents. Tuition increases for resident undergraduate students enrolled in UW System institutions are limited to an amount sufficient to fund all of the following: (a) in an odd-numbered year, the highest amount shown in the appropriation schedule for the tuition appropriation for that year in the Joint Finance Committee version of the budget bill, the engrossed budget bill, or the enrolled budget bill; (b) in an even-numbered year, the amount shown in the appropriation schedule for the tuition appropriation; (c) the approved recommendations of the Director of the Office of State Employment Relations for compensation and fringe benefits for classified and unclassified staff; (d) the projected loss in revenue caused by a change in the number of enrolled undergraduate, graduate, resident and nonresident students from the previous year; (e) state-imposed costs not covered by GPR as determined by the Board; (f) distance education, intersession, and nontraditional courses; and (g) differential tuition that is approved by the Board but not included in the tuition appropriation. These provisions would not apply to the UW-Madison authority. Under current law, tuition revenue is currently deposited in the state treasury and any interest earned on these amounts is deposited into the state's general fund.

[Bill Section: 1087]

7. ACCOUNTABILITY REPORT

Governor: Require the UW-Madison Board of Trustees to prepare an accountability report to provide for the evaluation of the quality and effectiveness of UW-Madison. Specify that the report would measure UW-Madison's performance in such areas as the access, affordability, student achievement, research, economic impact on the state, the services provided to the residents of the state, and the financial accountability of operations. Specify that this report would be submitted to the Governor and posted prominently on UW-Madison's website by July 1, 2013, and biennially thereafter.

[Bill Section: 1087]

8. CHANCELLOR AND VICE CHANCELLOR COMPENSATION

Governor: Provide that the Board of Trustees would appoint a chancellor to serve as the chief executive officer of UW-Madison and would determine the chancellor's compensation package. Delete the UW-Madison chancellor and vice chancellor from the UW System senior executive salary groups. Under current law, the UW System Board of Regents much establish salary ranges for university senior executives, including the UW-Madison chancellor and vice chancellor, based on an analysis of salaries paid for similar positions at comparable universities in other states. The salaries of these senior executives may not exceed to maximum of the salary range for the position. Under the bill, the amount of compensation the Board of Trustees could provide to UW-Madison chancellor, vice chancellor, or any other position would not be limited by statute.

[Bill Sections: 810, 811, and 1087]

9. CODE OF ETHICS

Governor: Provide that the chancellor and vice chancellor of UW-Madison would be state public officials and would have to adhere to the statutory code of ethics for such officials. Provide that the UW-Madison Board of Trustees would establish a code of ethics for all other employees. Under current law, the UW-Madison chancellor and vice chancellor are state officials subject to the statutory code of ethics. All other employees are subject to a code of ethics established by the UW Board of Regents.

[Bill Sections: 356 and 357]

10. EXECUTIVE APPOINTMENTS

Governor: Provide that an appointment to an executive position would be at the pleasure of the Board of Trustees. Specify that what constitutes an executive position would be determined by the Board of Trustees. Provide that a person who holds a tenured or academic staff appointment would not lose that appointment by accepting an executive appointment.

Under current law, an appointment to what is termed a limited position is at the pleasure of the Board of Regents. Limited positions are defined by statute to include the following positions: (a) president; (b) provost; (c) vice president; (d) associate vice president; (e) assistant vice president; (f) chancellor; (g) vice chancellor; (h) associate chancellor; (i) assistant chancellor; (j) associate vice chancellor; (k) assistant vice chancellor; (L) college campus dean; (m) secretary of the Board of Regents; (n) associate secretary of the Board of Regents; (o) assistant secretary of the Board of Regents; (p) trust officer; (q) assistant trust officer; and (r) such other administrative positions as the Board of Regents determines at the time of appointment. Current law provides that a person who holds a tenured or academic staff appointment does not lose that appointment by accepting a limited appointment.

[Bill Section: 1087]

11. FACULTY TENURE AND PROBATIONARY APPOINTMENTS

Governor: Create language related to faculty tenure and probationary appointments by the UW-Madison Board of Trustees that would be identical to current law under the UW System Board of Regents, except that: (a) the Board of Trustees would not be required to formally promulgate its rules for tenure, probationary appointments, or the dismissal of tenured faculty; (b) the Board of Trustees would not be required to consult with students in creating such rules; and (c) there would be no references to ranked and unranked faculty. In addition, provide that any person who holds a tenure appointment on the effective date of the bill would continue to hold tenure and any person who holds a probationary appointment on the effective date of the bill would continue to enjoy the contractual rights and guarantees of such an appointment.

[Bill Section: 1087]

12. ACADEMIC STAFF

Governor: Provide that a person having an academic staff appointment for a term could be dismissed prior to the end of the appointment term only for just cause and only after due notice and hearing. Specify that a person having an academic staff appointment for an indefinite term who has attained permanent status could be dismissed only for just cause and only after due notice and hearing.

Under current law, UW System academic staff members have the procedural guarantees that UW-Madison academic staff members would have under the bill. Current law also provides for the establishment of policies regarding probationary periods and other conditions of appointment, permits librarians to be appointed as ranked faculty, requires the Board of Regents to formally promulgate rules for dismissal, and creates a right to judicial review of dismissals. None of these provisions would be extended to the UW-Madison Board of Trustees with respect to academic staff at UW-Madison under the bill.

Define "academic staff" as those employees who were designated as academic staff when employed by the UW System and employees hired as or designated as academic staff by the

Board of Trustees. Under the UW System, "academic staff" is defined as professional and administrative personnel with duties that are primarily associated with higher education institutions or their administration, but does not include faculty. In addition the UW System Board of Regents is required to: (a) follow policies regarding the designation of positions as academic staff exempt from classified service; and (b) establish and maintain job categories and pay ranges for those job categories for academic staff positions. Under the bill, the UW-Madison Board of Trustees would not be required to do either.

[Bill Section: 1087]

13. SHARED GOVERNANCE

Governor: Provide that the UW-Madison Board of Trustees would be vested with the primary responsibility for the governance of the UW-Madison authority. Specify that the Board of Trustees should: (a) determine the educational programs to be offered by UW-Madison and may discontinue educational programs as it deems necessary; (b) appoint the chancellor, faculty, and other employees and fix the salaries, the duties, and the term of office for each; and (c) delegate to the chancellor the responsibility for the administration and operation of UW-Madison within the policies and guidelines established by the Board of Trustees. Specify that no sectarian or partisan tests or any tests based upon race, color, creed, religion, national origin, sex, disability, ancestry, age, sexual orientation, pregnancy, marital status, or parental status should ever be allowed or exercised in the appointment of UW-Madison employees. Under current law, the UW System Board of Regents is responsible for (a) to (c) above with regard to UW System institutions. Current law also specifies that no sectarian or partisan tests or any tests based upon race, religion, national origin, or sex shall ever be allowed or exercised in the appointment of UW System employees.

Provide that the chancellor of UW-Madison would: (a) be the executive head of the faculty and UW-Madison; (b) be vested with the responsibility of administering Board of Trustee policies; and (c) be accountable and report to the Board of Trustees on the operation and administration of UW-Madison. Specify that, subject to Board of Trustees policy and in consultation with the faculty, the chancellor is responsible for: (a) designing curricula and setting degree requirements; (b) determining academic standards and establishing grading systems; (c) defining and administering institutional standards for faculty peer evaluation and screening candidates for appointment, promotion, and tenure; (d) recommending individual merit increases; (e) administering associated auxiliary services; and (f) administering all funds allocated, generated, or intended for use of UW-Madison. In addition, specify that the chancellor may designate a provost to act as chief executive officer of UW-Madison in the chancellor's absence. Under current law, each chancellor of a UW System institution has the duties and responsibilities described above with respect to their institution. In addition, UW System chancellors are accountable to and must report to the UW System President.

Provide that the faculty, subject to the responsibilities and powers of the Board of Trustees and the chancellor, would be vested with the responsibility for the immediate governance of UW-Madison and would actively participate in UW-Madison policy development. Specify that the faculty would have the primary responsibility for academic and educational activities and faculty personnel matters. Provide that the faculty would have the right to determine their own faculty organizational structure and to select representatives to participate in UW-Madison governance. Under current law, the faculty of each institution has the responsibilities and powers described above with respect to their institutions.

Provide that the academic staff, subject to the responsibilities and powers of the Board of Trustees, the chancellor, and the faculty, would be active participants for the immediate governance of UW-Madison and in UW-Madison policy development. Specify that the academic staff would have the primary responsibility for the formulation and review, and would be represented in the development, of all policies and procedures concerning the academic staff, including academic staff personnel matters. Provide that the academic staff would have the right to determine their own faculty organizational structure and to select representatives to participate in UW-Madison governance. Under current law, the academic staff of each institution has the responsibilities and powers described above with respect to their institutions.

Provide that the students, subject to the responsibilities and powers of the Board of Trustees, the chancellor, and the faculty, would be active participants in the immediate governance of and policy development for UW-Madison. Specify that the students would have the primary responsibility for the formulation and review of policies concerning student life, services, and interests. Specify that the students, in consultation with the chancellor and subject to the final confirmation by the Board of Trustees, would have the responsibility for the disposition of those fees that constitute substantial support for campus student activities. Provide that the students would have the right to organize themselves in a manner they determine and to select representatives to participate in UW-Madison governance. Under current law, the students of each institution have the responsibilities and powers described above with respect to their institutions.

[Bill Section: 1087]

14. OTHER APPOINTMENTS

Governor: Provide that the Board of Trustees would be able to make or authorize appointments for student assistants and employees in training, such as residents, interns, post-doctoral fellows, or trainees or associates. Specify that these appointments in addition to appointments for limited-term employees and project employees, would not have the procedural guarantees extended to the faculty and academic staff or the procedural guarantees extended to other employees under the personnel system developed by the Board of Trustees and implemented on July 1, 2012.

Under current law, the Board of Regents may make fixed term appointments for student assistants and employees in training, such as residents, interns, post-doctoral fellows, or trainees, or associates. Such appointments are not subject to the procedural guarantees extended to faculty and academic staff

[Bill Section: 1087]

15. CLASSIFIED EMPLOYEES

Governor: Provide that all classified employees transferred to the UW-Madison authority would have the rights and privileges of classified employees until July 1, 2012. Specify that, beginning on July 1, 2012, all Board of Trustees employees in the classified service who have achieved permanent status and who became Board of Trustees employees before July 1, 2012, could be dismissed only for just cause and only after due notice and hearing. Provide that the Board of Trustees would be able to make or authorize appointments for former classified service employees. Specify that all such appointments made on or after July 1, 2012, would have the procedural guarantees included in the personnel system developed by the Board of Trustees and implemented on that date.

[Bill Sections: 1087 and 9155(1)]

16. PERSONNEL SYSTEM

Governor: Require the Board of Trustees to develop and implement effective July 1, 2012, a personnel system that would be separate and distinct from the state's personnel system. Provide that the system would be developed and implemented with the active participation of the faculty and academic staff. Require that in developing the system, the Board provide for the transfer of classified civil service employees to the system as necessary on July 1, 2012.

[Bill Section: 1087]

17. AUTHORITY TO PROVIDE SALARY INCREASES

Governor: Current law specifies that the Board of Regents may only increase the salaries of continuing faculty, academic staff, and certain administrative positions as follows: (a) as provided in the pay plan approved for those positions by the Joint Committee on Employment Relations; (b) to correct for salary inequities; (c) to fund job reclassifications and promotions; and (d) to recognize competitive factors. In addition, the Board of Regents may only increase the salaries continuing senior executives as specified in (a), (b), and (d) above. Under the bill, the ability of the UW-Madison Board of Trustees to increase the salaries of continuing faculty, academic staff, administration positions, and senior executives would not be limited in this way.

[Bill Section: 1087]

18. TRANSFER UW SYSTEM EMPLOYEES AND COLLECTIVE BARGAINING AGREEMENTS

Governor: Transfer all UW System employees assigned to UW-Madison to the UW-Madison authority on the effective date of the bill. Provide that the UW-Madison authority would be considered a state agency for employment purposes until July 1, 2012. Require the UW-Madison authority to adhere to the terms of any collective bargaining agreement covering those employees, including terms relating to employer payment of any employee required contributions to the Wisconsin Retirement System and employer payment of health insurance premiums, until July 1, 2012. Beginning on that date, the UW-Madison authority would establish the compensation and benefits of employees under the terms of the personnel system that would be established by the UW-Madison Board of Trustees.

[Bill Sections: 2751, 9152(1), and 9155(1)]

19. COLLECTIVE BARGAINING FOR CERTAIN UW-MADISON EMPLOYEES

Governor: Provide that UW-Madison faculty, academic staff, limited-term employees, sessional employees, project employees, supervisors, management, and persons who are privy to confidential matter affecting the employer-employee relationship, persons whose employment is a necessary part of their training, student assistants, and student hourly help would not be represented employees under the State Employment Labor Relations Act (SELRA). Provide that all other UW-Madison employees would be represented under the SELRA, subject to the following provisions.

Provide that the UW-Madison would be the employer of represented UW-Madison staff for the purposes of collective bargaining and would be responsible for the employer function under SELRA. Exclude UW-Madison collective bargaining activities from a current law requirement that the Office of State Employment Relations (OSER) notify and consult with the Joint Committee on Employment Relations regarding substantial changes in wages, employee benefits, personnel management, and program policy contract provisions to be included in any contract proposal to be offered to any labor organization by the state or to be agreed to by the state before such proposal is actually offered or accepted. Provide that any tentative agreement reached between the UW-Madison, acting for the state, and any UW-Madison labor organization, would, after official ratification by the labor organization, be executed by the parties.

Provide that collective bargaining units at UW-Madison would be structured with one or more units for each of the following groups: (a) program assistants, project assistants, and teaching assistants; (b) research assistants; and (c) all other employees with collective bargaining rights. Remove UW-Madison program, project, teaching, and research assistants from current law bargaining units that include those assistants. Maintain these collective bargaining units for similar assistants employed through UW-Extension.

Provide that additional current law provisions related to collective bargaining, would also apply to UW-Madison and UW-Madison employees. These provisions include petitions for recognition, assignment of employees to collective bargaining units by the Employment Relations Commission, unfair labor practices, execution of agreements, agreement provisions superseding other rules and policies, civil service protections for unrepresented employees, and the use of authorization cards by research assistants in forming collective bargaining units.

[Bill Sections: 750, 2411 thru 2419, 2421 thru 2424, 2426, 2427, and 2429 thru 2431]

20. PARTICIPATION IN EMPLOYEE TRUST FUND PROGRAMS

Governor: Provide that employees of the UW-Madison authority would have the same employee benefits, including retirement, group health insurance, and other fringe benefits, as they do under current law as UW System employees by: (a) including the UW-Madison in the definitions of "state agency" and "university" under the public employee trust fund chapter (Chapter 40); (b) providing that a graduate assistant and other employees-in-training as designated by the UW-Madison Board of Trustees would be eligible for group health insurance coverage provided by the Group Insurance Board; (c) including UW-Madison faculty under the current law provisions relating to sabbatical leave earnings for university faculty that apply for WRS purposes; (d) including income continuation insurance premium provisions for certain teachers in the unclassified service employed by the UW-Madison; (e) providing that certain student assistants, employees-in-training and visiting teachers are excluded from participation in the WRS; and (f) maintaining the protective occupation status of full-time police officers at UW-Madison.

[Bill Sections: 1137, 1138, 1141 thru 1143, 1152, 1154, 1155, and 1159]

21. SICK LEAVE AND HEALTH INSURANCE PREMIUM CREDITS

Governor: Provide that sick leave would be regulated by Board of Trustees policy except that unused sick leave would accumulate from year to year. Provide that current law regarding the conversion of accumulated unused sick leave to health insurance premium credits for faculty and academic staff employed by UW System institutions would also apply to faculty and academic staff at UW-Madison. Provide that the Department of Employee Trust Funds would continue to administer the health insurance premium credits program for UW-Madison faculty, academic staff, and executives until June 30, 2012. Under current law, the health insurance premium credits are used to purchase health insurance for retired employees. In general, credits are based on the employee's years of continuous service and accumulated unused sick leave. The bill does not specify how or if this program would be administered for retired UW-Madison authority faculty, academic staff, and executives after June 30, 2012.

[Bill Sections: 1087, 1148 thru 1150, and 9155(1)]

22. DUAL EMPLOYMENT

Governor: Provide that UW-Madison employees would be exempt from a statutory provision prohibiting full-time employees of one agency or authority from holding a position in another agency or authority for which the employee receives more than $12,000 in compensation in any year.

[Bill Sections: 216, 217, and 9455(1)]

23. MISCELLANEOUS PROVISIONS APPLICABLE TO UW-MADISON

Governor: Provide that provisions similar to current law under the UW System Board of

Regents related to the following, would apply to the UW-Madison authority: (a) student identification numbers; (b) use of animals for research purposes; (c) accommodation of religious beliefs; (d) nutritional improvement for the elderly; (e) power to suspend or expel students for misconduct; (f) campus security; (g) termination of appointments in the case of financial emergency; (h) conflict of interest; and (i) discrimination against students.

Under (e), specify that the Board of Trustees would adopt policies whereas the UW System Board of Regents is required to formally promulgate rules.

[Bill Sections: 529, 1087, and 1097]

24. MISCELLANEOUS PROVISIONS NOT APPLICABLE TO UW-MADISON

Governor: Omit from the chapter that would create the UW-Madison authority current law language under the UW System Board of Regents related to the following: (a) coordination with other educational agencies; (b) grants for study abroad; (c) prohibition of complimentary and reduced price tickets; (d) reporting on GPR funded research; (e) reporting on auxiliary enterprises reserve funds and approval by DOA and the Joint Committee on Finance; (f) reporting on employment harassment and discrimination claims; (g) information technology project reporting and other requirements; and (h) legislative authorization of any new school or college.

25. REPRESENTATION OF UW-MADISON ON BOARDS AND COUNCILS

Governor: Provide that the chairperson of the UW-Madison Board of Trustees or a designee from the Board would serve as a member of Wisconsin Technical College System (WTCS) Board and increase the number of WTCS Board members from 13 to 14. Provide that the chairperson of the UW-Madison Board of Trustees or a designee would serve on the College Savings Program Board under the Department of Administration. Provide that one member of the UW-Madison Board of Trustees would serve on the Higher Educational Aids Board.

Provide that the UW-Madison chancellor or designee would serve on the Medical Education Review Board instead of the UW System President under current law. Provide that one UW-Madison representative who is a teacher participant in WRS would serve as a member of the Teachers Retirement Board and increase the number of members on that board from 13 to 14. Provide that a representative of UW-Madison appointed by the UW-Madison Board of Trustees would serve on the Natural Areas Preservation Council. Provide that at least one and no more than two UW-Madison School of Education faculty members or faculty members from another UW-Madison department would serve on the Professional Standards Council for Teachers. These faculty members would be recommended by the chancellor, nominated by the State Superintendent, and subject to Senate confirmation. Provide that a UW-Madison or UW System faculty member with expertise regarding the health impacts of wind energy systems would be appointed by the Public Service Commission to the wind siting council.

[Bill Sections: 93, 122 thru 124, 127, 128, 170, 171, 177, 178, and 1106]

Funding for UW-Madison Authority

1. UW-MADISON AUTHORITY GENERAL PROGRAM OPERATIONS

GPR	$698,498,600

Governor: Create a section called "University of Wisconsin-Madison" in the appropriation schedule. Create a GPR appropriation for general program operations and provide $345,749,300 in 2011-12 and $352,749,300 in 2012-13, prior to the funding reductions in the following two entries. These amounts are the net of a transfer from the UW System of $351,419,900 annually and a reduction of $5,670,600 in 2011-12 and an increase of $1,329,400 in 2012-13.

[Bill Section: 542]

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $42,125,600

Governor: Delete $21,062,800 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. Delete funding from the following appropriations: general program operations ($20,302,300 annually); State Laboratory of Hygiene ($501,100); and Veterinary Diagnostic Laboratory ($259,400). The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. BASE BUDGET REDUCTION

GPR	- $125,000,000

Governor: Delete $62,500,000 annually from the general program operations appropriations for the UW-Madison authority.

4. GPR DEBT SERVICE

GPR	$146,462,900

Governor: Create an appropriation for principal repayment and interest and provide $38,184,300 in 2011-12 and $108,278,600 in 2012-13 debt service costs on state general obligation bonds and commercial paper debt issued for UW-Madison. The GPR debt service appropriation under the UW System would be reduced by an equivalent amount. The amounts provided for UW-Madison are the net of a current law debt reestimate and a proposed GPR debt restructuring.

[Bill Section: 542]

5. FUEL AND UTILITIES

GPR	$131,787,200

Governor: Create an appropriation for energy costs and provide $62,172,200 in 2011-12 and $69,615,000 in 2012-13. These amounts are the net of a transfer from the UW System of $78,545,200 annually and a reduction of $16,373,000 in 2011-12 and $8,930,200 in 2012-13 related to projected decreases in fuel and utility costs.

[Bill Section: 542]

6. STATE LABORATORY OF HYGIENE

GPR	$19,750,800
PR	3,238,400
Total	$22,989,200

Governor: Require the UW-Madison Board of Trustees to maintain the State Laboratory of Hygiene (SLH). Create a GPR appropriation for SLH general program operations and provide $9,875,400 annually, prior to the funding reduction of $501,100 annually shown under the entry relating to employee contributions for pensions and health insurance. The amount provided is the net of base funding ($9,584,700 annually) and standard budget adjustments ($791,300 annually) transferred from the UW System and a reduction of $500,600 annually. Create a program revenue appropriation for moneys transferred from the driver improvement surcharge for implied consent testing and provide $1,619,200 annually. Under the bill, an additional $21,871,300 PR annually would be deleted related to the transfer of SLH from the UW System. UW-Madison would not be required to deposit these funds in the state treasury and these revenues would not appear in the appropriation schedule.

[Bill Sections: 548, 556, 655, 975, 2882, and 3085]

7. ELIMINATE STATE LABORATORY OF HYGIENE BOARD

Governor: Eliminate the State Laboratory of Hygiene (SLH) Board. Specify that the UW-Madison Board of Trustees would appoint the SLH director and other staff members as required for its administration. Under current law, the SLH director and administrative staff are appointed by the SLH Board and all the other employees are employed by the SLH director under the classified service law. Delete the current law reference to the SLH Board from the requirement that the SLH submit a budget request to the Department of Administration and current law language specifying only limited-term employees may be hired to assist the Department of Health Services in the case that the Governor declares a public health emergency.

[Bill Sections: 174, 975, 2876 thru 2878, and 2882]

8. VETERINARY DIAGNOSTIC LABORATORY

GPR	$10,555,200
PR	9,560,000
Total	$20,115,200

Governor: Establish the Veterinary Diagnostic Laboratory under the UW-Madison authority. Create a GPR appropriation for the Veterinary Diagnostic Laboratory and provide $5,277,600 annually, prior to the funding reduction of $259,400 annually shown under the entry relating to employee contributions for pensions and health insurance. The amount provided is the sum of base funding ($4,712,100 annually) and standard budget adjustments ($343,000 annually) transferred from the UW System and an increase of $222,500 annually. Create a PR appropriation for veterinary diagnostic laboratory fees and provide $3,948,900 annually; create a PR appropriation for moneys received by the Veterinary Diagnostic Laboratory from other state agencies and provide $831,100 annually. Under the bill, $1,675,900 FED annually would be deleted from the UW System related to the Veterinary Diagnostic Laboratory. UW-Madison would not be required to deposit these funds in the state treasury and these revenues would not appear in the appropriation schedule.

[Bill Sections: 549, 558, 565, 571, 800, 1020, and 1022 thru 1026]

9. ELIMINATE VETERINARY DIAGNOSTIC LABORATORY BOARD

Governor: Eliminate the Veterinary Diagnostic Laboratory (VDL) Board. Specify that the UW-Madison chancellor would appoint the VDL director. Delete the current law requirement that the VDL board submit a budget request to the Department of Administration and statutory language granting certain rights to classified staff members who were employed by VDL prior to its transfer to the UW System.

[Bill Sections: 173, 1021, and 1023 thru 1025]

10. GIFTS, GRANTS, AND BEQUESTS

Governor: Provide that the all gifts, grants, and bequests made to UW-Madison or any of its departments or facilities should be executed and enforced according to the wishes of the donor. This provision would be identical to current law under the UW System Board of Regents except that under the Board of Trustees: (a) there would be no limit on the accumulation of income from gifts, grants, and bequests; (b) there would be no limit on the amount of trust funds that could be invested in common stocks; (c) the Board would be able to accept gifts of real property in excess of $30,000, buildings, and structures without the approval of the Building Commission or DOA; and (d) specific language related to a golf course would be omitted. In addition, the Board of Trustees would be able to transfer any grant, contract, gift, endowment, or trust or segregated funds bequeathed or assigned to UW-Madison to the University of Wisconsin Foundation, Inc., if the transfer is consistent with its terms. These funds would not appear in the appropriation schedule.

[Bill Section: 1087]

11. PROGRAM REVENUE DEBT SERVICE APPROPRIATION

PR	$85,706,900

Governor: Create a sum sufficient appropriation for program revenue debt service and provide $40,629,000 in 2011-12 and $45,077,900 in 2012-13. The appropriation would be similar to current law under the UW System and would specify debt service payment rates for UW-Madison intercollegiate athletics facility maintenance projects. Under the bill, $31,760,000 annually would be transferred to the proposed UW-Madison authority from the UW System's appropriation from program revenue debt service.

Under current law, the UW System's appropriation for program revenue debt service refers to current law appropriations for auxiliary enterprises and services provided to the UW Hospitals and Clinics Authority (UWHCA). Under the bill, the UW-Madison appropriation would refer only to the appropriation for services provided to UWHCA as an appropriation for auxiliary enterprises would not be created. To clarify the source of revenues for this appropriation, the bill should be modified to permit funds generated from UW-Madison's auxiliary enterprises to be deposited in this account.

[Bill Sections: 181, 542, 779, 800, and 801]

12. UW HOSPITALS AND CLINICS AUTHORITY AGREEMENTS

PR	$71,280,000

Governor: Transfer the lease and affiliation agreements between the UW System Board of Regents and the University of Wisconsin Hospitals and Clinics Authority to the UW-Madison Board of Trustees. Create a PR appropriation for services provided to UWHCA and provide $35,640,000 annually. Under the bill, $4,644,600 annually for services received from UWHCA would be transferred from the UW System. UW-Madison would not be required to deposit these funds in the state treasury and these revenues would not appear in the appropriation schedule.

Recreate statutory language related to UWHCA that would be deleted under the UW Board of Regents under the UW-Madison Board of Trustees. Modify current law to specify that three members of the UW-Madison Board of Trustees appointed by the chairperson of that board would serve as members of the UWHCA board. Under current law, three members of the UW System Board of Regents appointed by the President of that board serve on the UWHCA board.

[Bill Sections: 179, 245, 582, 584, 952, 955 thru 957, 978, 1087, 2648, and 9152(1)]

13. DEBT SERVICE RELATED TO UW-MADISON POWER PLANTS

PR	$11,809,900

Governor: Create an appropriation for moneys received from UW-Madison for debt service payments related to the Walnut Street steam and chilled-water plant and the Charter Street heating and cooling plant and provide $5,909,300 in 2011-12 and $5,900,600 in 2012-13. Create an appropriation for moneys received from the UW Hospitals and Clinics Authority and agencies of the federal government for debt service payments related to the Walnut Street steam and chilled-water plant and the Charter Street heating and cooling plant. Provide no funding in this appropriation. Under the bill, $11,799,200 would be deleted under the UW System related to these appropriations.

[Bill Sections: 181, 560, 566, and 800]

14. MELLON FOUNDATION GRANT MATCHING FUNDS

PR	$2,000,000

Governor: Create an all moneys received appropriation for

Mellon Foundation grant matching funds and estimate revenues at $1,000,000 annually. Specify earnings on tuition would be deposited in this appropriation rather than the state's general fund.

[Bill Section: 542]

15. PHYSICIAN AND HEALTH CARE PROVIDER LOAN ASSISTANCE PROGRAMS

PR	$977,400
SEG	500,000
Total	$1,477,400

Governor: Create a physician loan assistance program, a health care provider loan assistance program, and an expanded loan assistance program. These programs would be identical to current law programs under the UW System Board of Regents except that: (a) dentists and dental hygienists would not be eligible to participate; and (b) the Board of Trustees would not be required to formally promulgate rules related to these programs. Under the bill, dentists and dental hygienists would be eligible to participate in loan assistance programs under the UW System Board of Regents. Create a PR revenue appropriation to support these programs and provide $488,700 annually from tribal gaming revenues. Create a SEG revenue appropriation and provide $250,000 annually transferred from the critical access hospital assessment fund.

[Bill Sections: 542, 652, 745, 1029 thru 1033, 1036, 1038, 1039, 1059 thru 1062, 1087, 1437, and 1662]

16. FUNDS FROM OTHER STATE AGENCIES

Governor: Create an all moneys received appropriation for funds transferred from other state agencies. Specify that moneys received would be used to carry out the purposes for which they were received. Provide no moneys in this appropriation.

[Bill Section: 542]

17. UNIVERSITY TRUST FUNDS

SEG	$42,320,000

Governor: Create an appropriation for University trust funds and provide $21,160,000 annually. In addition, credit all real property and moneys related to the operation of UW-Madison, as determined by the Secretary of Administration, that would be transferred from trust funds controlled by the UW System Board of Regents to this appropriation. Delete this appropriation on July 1, 2013. Under another provision of the bill, the Board of Trustees would be able to transfer related property and moneys received from the UW System Board of Regents to the University of Wisconsin Foundation, Inc., provided the transfer is consistent with its terms of that property and those moneys.

[Bill Sections: 542, 543, 9152(1), and 9455(2)]

18. WISCONSIN BIOENERGY INITIATIVE

SEG	$7,120,000

Governor: Create an appropriation for the Wisconsin Bioenergy Initiative and provide $3,560,000 annually transferred from the recycling and renewable energy fund. Specify that the funding provided would be used to support research under the Wisconsin Bioenergy Initiative into improved plant biomass, improved biomass processing, conversion of biomass into energy products, development of a sustainable energy economy, and development of enabling technologies for bioenergy research. Under current law, $4,050,000 annually is provided to the UW System Board of Regents for this purpose of which $3,560,000 is allocated to UW-Madison, $440,000 is allocated to UW-Stevens Point, and $50,000 is allocated to UW-Green Bay. Under the bill, $490,000 would be provided to the UW System Board of Regents in each year of the biennium for this purpose.

Under another provision of the bill, the recycling and renewable energy fund would be renamed the environmental fund. The bill modifies the reference under the UW System to reflect this change; however, a technical amendment is needed to correct the reference under the appropriation under UW-Madison.

[Bill Section: 542]

19. RURAL PHYSICIAN RESIDENCY PROGRAM

SEG	$1,500,000

Governor: Create an appropriation for the rural physician residency assistance program and provide $750,000 annually from the critical access hospital fund. Create language related to the program that would be identical to current law language under the UW System Board of Regents; under the bill, the language under the UW System Board of Regents and a related appropriation would be deleted.

[Bill Sections: 572 and 1086]

20. ENVIRONMENTAL PROGRAM GRANTS

SEG	$200,000

Governor: Create an appropriation for environmental program grants and provide $100,000 annually from income and interest from the normal school fund for need-based grants to students who are members of underrepresented groups and who are enrolled in a certificate or bachelor's degree program from the UW-Madison Nelson Institute for Environmental Studies.

[Bill Sections: 542, 866, and 1014]

21. GRANTS FOR FORESTRY PROGRAMS

SEG	$100,000

Governor: Create an appropriation for grants for forestry programs and provide $50,000 annually transferred from the conservation fund. Require the Board of Trustees to maintain a center for cooperatives and specify that the center may award grants from the appropriation. The proposed language related to the grant program would be identical to current law under the UW System Board of Regents except that language related to the use of grant funds for administrative expenses would not be recreated.

[Bill Sections: 542, 876, 962, 1017 thru 1019, and 1752]

22. RECEIPT OF FEDERAL FUNDS

Governor: Provide that the Board of Trustees may accept federal funds for instruction, extension, special projects, or emergency employment opportunities on behalf of the state. Specify that certain statutory provisions related to the acceptance of federal funds would not apply to such funds. These provisions include including the approval of a budget, plan, application or proposal by the Governor, the report of a budget, plan, application, or proposal to the Joint Committee on Finance, and the creation of federally-funded positions by the Governor. Require the Board of Trustees to comply with Congressional requirements and federal regulations, provided that those regulations are consistent with state law, when federal funds are accepted. Permit the Board of Trustees to submit any plan, budget, application or proposal as required a federal agency and perform of any act not inconsistent with state law required by Congress or the federal agency to carry out the purpose for which the moneys were provided. These provisions would be identical to current law related to the acceptance of federal funds for instruction, extension, special projects, or emergency employment opportunities by the UW System Board of Regents.

Provide that the UW-Madison authority would not be subject to current law governing the receipt of federal indirect cost reimbursement by state agencies, including the UW System. These provisions include: (a) the transfer of unused reimbursements to the general fund; (b) the deposit of such reimbursement payments with the state treasurer; (c) participation in a statewide indirect cost allocation; and (d) the submission of indirect cost allocation plans to the Department of Administration.

Under the bill, \$880,297,800 FED annually would be transferred from the UW System Board of Regents related to the UW-Madison authority. These funds would not appear in the appropriation schedule.

[Bill Sections: 225 thru 227]

23. DEPOSIT OF FEDERAL AND OTHER PROGRAM REVENUES IN THE LOCAL-GOVERNMENT POOLED INVESTMENT FUND

Governor: Require the Board of Trustees to deposit daily all federal revenues and all program revenues for which there is not an appropriation, except for gifts, grants, and donations, in the local-government pooled investment fund administered by the state Investment Board.

[Bill Sections: 895 thru 897]

Tuition and Special Programs

1. NONRESIDENT TUITION EXCEPTIONS AND OTHER TUITION REMISSIONS

Governor: Create statutory language to provide the following: (a) tuition exemptions for persons at least 60 years old; (b) determination of residency status for tuition purposes and appeals; (c) tuition remissions for needy and worthy nonresident students, nonresident students deserving of relief, needy and worthy foreign students, and athletes; (d) nonresident and resident tuition remissions for faculty, instructional staff, and assistants, including graduate assistants; (e) tuition remissions for the survivors of correctional officers, EMTs, fire fighters, and law enforcement officers; and (f) tuition remissions for funeral assistants. These provisions would be identical to current law under the UW System Board of Regents except that there would be no limit on remissions granted under (c) and no appropriation would be provided under the UW-Madison Board of Trustees to fund remissions granted under (e). Specify that these provisions would no longer apply if the Board of Trustees adopts a resolution to that effect or on July 1, 2013, in the absence of such a resolution.

[Bill Sections: 1087, 1108, 1110, and 1270]

2. TUITION REMISSIONS FOR VETERANS AND CERTAIN DEPENDENTS

Governor: Require the UW-Madison Board of Trustees to grant a full remission of fees for 128 credits or eight semesters, whichever is longer, less the number of credits or semesters for which the person received remission of tuition and fees from any technical college and the UW System Board of Regents, but not less the amount of any tuition or segregated fees paid under the federal Post-9/11 G.I. Bill, to certain veterans, children, and spouses. Before granting a remission of tuition and segregated fees to an eligible veteran, child, or spouse, the UW-Madison Board of Trustees would have to require the student who is an eligible veteran, child, or spouse to apply to the payment of fees all educational assistance to which the student is entitled under the federal Post-9/11 G.I. Bill. This provision would apply even if the student is eligible for benefits under the Montgomery G.I. Bill or certain other federal education programs for veterans and dependents unless the student is eligible for 12 months or less of benefits under those programs. Require HEAB to reimburse, in whole or in part, the UW-Madison Board of Trustees for remissions granted to veterans, children, and spouses and for reimbursements paid to veterans, children, and spouses.

The proposed statutory language, including eligibility requirements, limitations on use, reimbursement payments to students, and reimbursements from Higher Educational Aids Board (HEAB), would be similar to current law providing for tuition remissions for veterans and certain dependents under the University of Wisconsin System and the Wisconsin Technical College System, as modified under the bill (see "University of Wisconsin System" and "Wisconsin Technical Colleges System" for information related to the modification related to tuition remissions for veterans and certain dependents.)

Specify that these provisions would no longer apply if the Board of Trustees adopts a resolution to that effect or on July 1, 2013 in the absence of such a resolution.

[Bill Sections: 519, 1087, 1134 thru 1136, 1240, and 1241]

3. ELIGIBILITY FOR CERTAIN FINANCIAL AID PROGRAMS

Governor: Provide that UW-Madison students would be eligible for the following financial aid programs administered by the Higher Educational Aids Board: (a) the minority teacher loan program; (b) the academic excellence scholarship program (AES); and (c) the Wisconsin higher education grants program for UW System students. Provide that the matching requirement under the AES program for UW-Madison would be satisfied in the same manner as under current law for the UW System. Under current law, UW-Madison students are eligible for these programs as students of the UW System.

In addition, provide that UW-Madison would continue to be a qualifying school for the purpose of tuition reimbursement grants under the Department of Military Affairs and for the postsecondary education income tax credit, corporate income tax credit, and insurance company tax credit.

[Bill Sections: 1113 thru 1118, 1882, 2012, 2123, and 3083]

4. TUITION GIFT CERTIFICATES

Governor: Provide that the Board of Trustees may establish a tuition gift certificate program. This provision would be identical to current law under the UW System Board of Regents except that: (a) the Board of Trustees would not be prohibited from charging more than the actual processing cost as a fee for each sale of a gift certificate; and (b) the Board of Trustees would not be required to deposit moneys received in an appropriation.

[Bill Section: 1087]

5. AGRICULTURAL DEMONSTRATION STATIONS AND EXPERIMENTS

Governor: Permit the Board of Trustees to: (a) establish demonstration stations for the purpose of aiding in agricultural development through the College of Agriculture and Life Sciences (CALS); (b) authorize experimental work in agriculture at points within the state and carry on demonstrations; and (c) to conduct extension schools and courses in agricultural education. Require the Board of Trustees to foster research and experimentation in the control of bovine brucellosis under the supervision of the CALS dean. This language is identical to current law that would be deleted under the UW System Board of Regents except for the omission of a reference to an appropriation for the payment of contracts.

[Bill Section: 965]

6. AODA PREVENTION AND INTERVENTION PROGRAMS

Governor: Require the Board of Trustees to appoint alcohol and drug abuse (AODA) prevention and intervention program counselors for UW-Madison. The counselors would develop AODA prevention and intervention programs and train faculty, academic staff, and classified staff in the prevention of and early intervention in alcohol and other drug abuse. Under the bill, $75,700 GPR annually for AODA prevention and intervention programs would be transferred from the UW System. The bill does not create an appropriation to fund such programs; it is assumed that these funds would be deposited in the UW-Madison authority's GPR general program operations appropriation.

[Bill Section: 1087]

7. AREA HEALTH EDUCATION CENTER

Governor: Require the UW-Madison Board of Trustees to maintain an area health education center at UW-Madison to support community-based primary care training programs. Under the bill, $1,143,000 GPR annually would be transferred from the UW System to the proposed UW-Madison authority related to the area health education centers. These funds would be deposited in UW-Madison's appropriation for general program operations.

[Bill Section: 991]

8. BREAST CANCER AND PROSTATE CANCER RESEARCH

Governor: Provide that 50% of the proceeds from the breast cancer research income tax check-off, less administrative costs, would be paid to UW-Madison for breast cancer research conducted by the UW Carbone Cancer Center. Provide that 50% of the proceeds from the prostate cancer research income tax check-off, less administrative costs, would be paid to UW-Madison for prostate cancer research projects. Specify that these funds could not be used to supplant funds available from other sources for breast cancer research or prostate cancer research. Require the Board of Trustees to report annually by January 1 to the appropriate standing committees of the Legislature and the Governor on the breast cancer and prostate cancer research projects conducted with these funds. Under the bill, $309,200 annually from revenues generated by income tax check-offs for breast cancer and prostate cancer research would be transferred to the UW-Madison authority from the UW System. UW-Madison would not be required to deposit these funds in the state treasury and these revenues would not appear in the appropriation schedule.

[Bill Sections: 1888, 1889, and 2891 thru 2894]

9. CENTER FOR URBAN LAND ECONOMICS RESEARCH

Governor: Require the Board of Trustees to establish a center for land economics research in the School of Business to conduct research and undertake educational, public outreach, and grant activities related to real estate and urban land economics. Provide that funding for the center for land economics research would come from a $10 surcharge on real estate license renewals as under current law. Under the bill, $251,700 annually would be transferred to the UW-Madison authority from the UW System related to the center for urban land economics research. UW-Madison would not be required to deposit these funds in the state treasury and these revenues would not appear in the appropriation schedule.

[Bill Sections: 989 and 3258]

10. CLEARING CUTOVER LANDS

Governor: Authorize the Board of Trustees to investigate methods of clearing cutover lands, to perform experiments and demonstrations related to such methods, and to provide related services to individual citizens at cost through the College of Agricultural and Life Sciences. This is identical to current law that would be deleted under the UW System Board of Regents.

[Bill Sections: 973 and 1087]

11. DISTINGUISHED PROFESSORSHIPS

Governor: Provide that the Board of Trustees could establish distinguished professorships and could pay the salary and fringe benefits, equipment, supplies, and travel costs of any such professor and of any graduate assistant assigned to such a professor. This provision would be identical to current law under the UW System Board of Regents, except that current law specifies appropriations from which distinguished professorship costs may be paid and specifies that at least three of the professors awarded distinguished professorships after 1989 cannot have been employed by the Board of regents when awarded the position.

[Bill Section: 1087]

12. LAWTON GRANTS

Governor: Require the Board of Trustees to establish a grant program for minority undergraduate students to be known as the Lawton grant program. This program would be identical to the current Lawton grants under the UW System Board of Regents, except that under the bill the Board of Trustees would not be required to award the grants from a specific appropriation. Under the bill, the UW System Board of Regents would transfer $1,478,100 GPR annually from its appropriation for the Lawton minority undergraduate grant program to the UW-Madison authority as part of the funding provided under the UW-Madison authority's GPR general program operations appropriation.

[Bill Section: 1087]

13. LICENSE PLATE SCHOLARSHIP PROGRAM

Governor: Require the Board of Trustees to establish a scholarship program funded by additional fees charged by the Department of Transportation for UW-Madison license plates and create an appropriation under the Department of Transportation for payments to UW-Madison. Under the program, scholarships would be awarded by the chancellor according to criteria developed by the chancellor. Specify that the UW-Madison chancellor would be consulted in the design of the UW-Madison license plate. Under the bill, the UW-Madison authority would not be required to deposit these revenues in the state treasury and they would not appear in the appropriation schedule.

[Bill Sections: 621, 879, 1008, 1087, 3098 thru 3102, and 3106]

14. SCHOOLS OF BUSINESS

Governor: Require the Board of Trustees to use the funds appropriated in UW-Madison's GPR general program operations appropriation to support improvements in master's level business programs. Specify that the Board of Trustees could spend funds from that appropriation for this purpose only if it received matching funds for the same purpose from private contributions. This would be similar to current law under the Board of Regents except that current law references a GPR appropriation and a PR appropriation created specifically for this purpose. A clarifying amendment may be needed to accomplish the intent of the provision.

[Bill Section: 1087]

15. STATE CARTOGRAPHER, PSYCHIATRIC RESEARCH INSTITUTE, AND STATE GEOLOGIST

Governor: Require the Board of Trustees to appoint the state cartographer, the director of the psychiatric institute, and the state geologist and create statutory language related to the state cartographer and the psychiatric research institute. These provisions would be identical to current law under the UW System Board of Regents that would be deleted under the bill. The state geologist would continue to carry out current law responsibilities including supervision of the geological and natural history survey under the UW System Board of Regents.

[Bill Sections: 970, 971, 976, 977, and 1087]

16. USE OF FACILITIES BY THE EDUCATIONAL COMMUNICATIONS BOARD

Governor: Authorize the Board of Trustees to grant the Educational Communications Board (ECB) part-time use of equipment and space necessary for the operations of the state educational radio and television networks pursuant to the affiliation agreement between ECB and the UW System Board of Regents. Permit the Board of Trustees to rent space on the Madison public broadcast transmission tower to ECB and to other public and commercial broadcasters.

[Bill Sections: 969 and 1087]

17. UW SCHOOL OF MEDICINE AND PUBLIC HEALTH PROGRAMS

Governor: Require the Board of Trustees to allocate $400,000 annually from its GPR general program operations appropriation to the department of family medicine and practice in the University of Wisconsin School of Medicine and Public Health to support the following programs: (a) the Wisconsin Academy for Rural Medicine; (b) the Academy for Center-city Medical Education; and (c) the Wisconsin Scholars Academy programs. Specify that the Board may not expend the funds allocated in any fiscal year unless $400,000 in gifts and grants from private sources are received to support the programs.

Under current law, the UW System Board of Regents is required to allocate $400,000 annually from a GPR appropriation for the department of family medicine and practice. Under the bill, this appropriation and the related statutory language would be deleted and the funds would be transferred to the UW-Madison authority. The bill does not create an appropriation for the department of family medicine and practice under the UW-Madison authority; it is assumed that these funds would be deposited in the UW-Madison's authority's GPR general program operations appropriation.

In addition, replace all references to the University of Wisconsin-Madison Medical School with references to the University of Wisconsin School of Medicine and Public Health.

[Bill Sections: 28 thru 31, 72, 176, 180 thru 182, 980, 1107, 1111, 1272, 1275, and 2793 thru 2795]

18. SPECIAL PROGRAMS

Governor: Create the following special programs at the UW-Madison authority: (a) Wisconsin resident preference in housing; (b) solid waste experiment centers; (c) military instruction; (d) integrated agriculture; and (e) meningococcal disease and hepatitis B information program. The statutory language creating these programs would be identical to current law under the UW System.

Recreate the following special programs located at UW-Madison that would be deleted under the UW System: (a) water resources research; (b) the School of Veterinary Medicine; (c) a model school for children with disabilities; (d) a Great Lakes Indian law program; (e) the Robert M. La Follette Institute of Public Affairs; (f) agricultural technology and family farm programs; (g) the herbarium; (h) a distinguished chair of military history; and (i) the career conversations program. In addition, recreate special program requirements related to the UW Law School, which is located at UW-Madison.

Create a grant program for minority and disadvantaged graduate programs enrolled at UW-Madison and precollege, recruitment, and retention programs for minority and disadvantaged students. The statutory language creating these programs would be identical to current law language under the UW System except that grants to graduate students would be funded through the UW-Madison's GPR general program operations appropriation instead of an appropriation specifically for that purpose. The language creating the programs for minority and disadvantaged students references an appropriation that would not be created under the bill, which needs a technical correction.

[Bill Sections: 972, 981 thru 985, 988, 990, 992, 993, and 1087]

Building Program

1. ACCESS TO PUBLIC DEBT

Governor: Modify the purpose of the Building Commission appropriation for public debt for UW System self-amortizing facilities to include public debt for UW-Madison self-amortizing facilities. This provision would allow UW-Madison to have access to state bonding for its program revenue supported facilities. Under the bill, the purpose of the Building Commission appropriation for general fund supported public debt for UW System academic facilities would not be modified to include UW-Madison academic facilities. This would mean that UW-Madison would not have access to general fund supported borrowing for those facilities. According to the drafter, this appropriation should also have been modified.

Provide that UW-Madison would be able to access state bonding for energy conservation projects. In addition, provide that UW-Madison projects would be eligible for state bonding through the WiSTAR and Wisbuild initiatives. There is currently no new bonding available under either of these initiatives.

[Bill Sections: 53 thru 55, 265, and 780]

2. INCLUSION OF UW-MADISON IN STATE BUILDING PROGRAM

Governor: Modify current law to specify that UW-Madison facilities would continue to be part of the state's long-term building program. Require UW-Madison, in addition to all state agencies as under current law, to submit a capital budget request for review by the Building Commission. Specify that UW-Madison's capital budget request would include all proposed building projects except those projects with a cost of not more than $500,000 that would be funded entirely with sources other than general purpose revenue or general fund supported borrowing. Specify that the Building Commission could authorize any UW-Madison project costing $500,000 or less and enter into contracts for UW-Madison construction projects except as described in the following entry.

Provide that the Governor could authorize the release of state building trust funds for UW-Madison projects when directed to do so by the Building Commission or in emergency situations, as under current law for all agencies. Provide that the Governor may authorize the expenditure of up to $500,000 for repairs and construction of a building, structure, or facility from available moneys of UW-Madison from any revenue source in emergency situations. Under current law, the Governor may authorize the expenditure of up to $500,000 for such purposes from the building trust fund or from other available moneys appropriated to an agency in emergency situations.

Provide that UW-Madison construction projects would not be subject to municipal ordinances or regulations except for zoning ordinances.

[Bill Sections: 34 thru 37, 44 thru 48, 50, 57, 58, 287, 720, 816, and 817]

3. EXEMPT NON-GPR SUPPORTED UW-MADISON PROJECTS FROM DOA OVERSIGHT

Governor: Exempt UW-Madison building projects that are funded entirely from sources other than general purpose revenue and general fund supported borrowing from the following current law provisions: (a) DOA direction and supervision of all engineering and architectural services and construction work related to state building projects; (b) DOA review and approval of plans and specifications for UW System building projects; (c) periodic review by DOA of the progress of UW System building projects; (d) provisions governing construction project contracts, including bidding procedures, the use of recovered and recycled materials, energy efficiency standards, subcontractors, and partial payments to contractors; (e) approval by the DOA Secretary or the Governor of contracts of more than $10,000 for engineering services, architectural services, or construction work or of more than $30,000 for limited trades work; and (f) statutory procedures related to the employment of engineering, architectural, or allied services or expenditures for construction purposes. Specify that the UW-Madison could employ engineering, architectural, or allied services and expand moneys for construction if the project is funded entirely from sources other than GPR and general fund supported borrowing. Provide that Building Commission could not enter into contracts for such projects.

UW-Madison building projects funded entirely from sources other than general purpose revenue and general fund supported borrowing with total costs in excess of $500,000 would require enumeration by the Legislature and approval by the Building Commission as under current law. In addition, such projects would be subject to statutory provisions related to bids by and contracts with disabled veteran- and minority-owned businesses.

Provide that UW-Madison building projects that are funded at least in part with general purpose revenue or general fund supported borrowing would be subject to the current law provisions listed above.

[Bill Sections: 44, 266, 272, 289, 298, 299, and 301]

4. NO BUILDING COMMISSION APPROVAL OF NON-GPR SUPPORTED PROJECTS UNDER $500,000

Governor: Provide that UW-Madison would not require the prior approval of the Building Commission to contract in connection with any building project with a cost of not more than $500,000 if that project is funded entirely with sources other than general program revenue or general fund supported borrowing. Specify that the Building Commission may not prescribe simplified policies and procedures for such projects.

Under current law, most state building projects with costs of more than $150,000 must be approved by the Building Commission regardless of the fund source. Current law exceptions include: (a) Department of Transportation projects other than buildings, structures and facilities to be used for administrative or operating functions; (b) Department of Transportation build-operate-lease or transfer agreements; (c) Department of Natural Resources construction work related to hazardous substance spill response or environmental repair; (d) UW Hospitals and Clinics Authority construction or improvement projects; (e) Fox River Navigational System Authority rehabilitation projects; (f) State Fair Park Board construction projects with costs of not more than $250,000; (g) Wisconsin Economic Development Corporation projects; and (h) projects approved by the Governor in response to emergency situations. The Building Commission may prescribe simplified policies and procedures to be used in lieu of statutory procedures governing construction project contracts for any project that does not require prior approval of the Building Commission. Under current law, state building projects with costs of less than $500,000 do not require enumeration by the Legislature.

[Bill Sections: 47, 48, and 56]

5. ACCEPTANCE OF GIFTS OF REAL PROPERTY BY UW-MADISON

Governor: Under current law, the UW System may not accept any gift, grant, or bequest of real property with a value in excess of $30,000 or any gift, grant, or bequest of a building or structure that is constructed for the benefit of the UW System or any UW System institution, including UW-Madison, without approval of the Building Commission. Under the bill, this provision would no longer apply to UW-Madison.

6. APPROVAL OF PRIVATELY OWNED OR OPERATED FACILITIES ON LAND OWNED BY UW-MADISON

Governor: Provide that UW-Madison would not require the approval of the Building Commission for privately owned or operated facilities to be constructed on its land. Under current law, the UW System must get the approval of the Building Commission before it can permit a facility that would be privately owned or operated to be constructed on state-owned land.

[Bill Section: 49]

7. AUTHORITY TO SELL OR LEASE UW-MADISON BUILDINGS AND LAND

Governor: Provide that if the Board of Trustees sells any real property it would deposit an amount sufficient to cover any outstanding public debt related to that property into the bond redemption fund. Provide that if the property was acquired, constructed, or improved with federal funds, the Board of Trustees would pay the net proceeds of the sale to the federal government if required by federal law and, if the property was acquired by gift or grants, the

Board of Trustees would adhere to the terms of the gift or grant in using the proceeds.

Under current law, the Board of Regents is similarly restricted regarding the proceeds of any sale of real property.

[Bill Section: 1087]

8. SALE OF AGRICULTURAL LANDS

Governor: Authorize the UW-Madison Board of Trustees to sell specific agricultural lands and improvements and that the proceeds of these sales would be used to purchase other agricultural lands outside of the Madison urban area and construct necessary buildings and improvements on these lands. Specify that the lands and improvements could be sold or leased by public bid or negotiated sale and that the sale, lease, and purchase of such lands and would be subject to the approval of the Building Commission. Delete a current law provision allowing the Building Commission to authorize to use of building trust fund moneys related to the purchase of such land.

This provision would be identical to current law under the UW System, which would be deleted by the bill, except that under current law any excess proceeds from the sale of agricultural land and improvements would be used to create a nonlapsible fund not to exceed $7,200,000. The purpose of this fund is to erect facilities for research and instruction in animal husbandry, agricultural engineering, and agricultural and life sciences at UW-Madison. The use of the moneys in this fund is subject to the consent and recommendation of the UW System Board of Regents and authorization by the Building Commission.

[Bill Sections: 40, 561, 1002, and 1003]

9. EXTEND DOA POWERS AND DUTIES TO UW-MADISON

Governor: Provide that, with certain exceptions, the current law powers and duties of DOA and the DOA Secretary with respect to engineering would apply to UW-Madison. These powers and duties include: (a) to furnish engineering, architectural, project management, and other building construction services when requisitioned; (b) the promotion of energy conservation methods; (c) the repair and rebuild of discarded machinery; (d) to plan for future growth and development; (e) the biennial inspection of state buildings; (f) the delegation of work to state agencies; (g) exemption from liability in the case of delay; and (h) exemption for contracts with the federal government or any federal agency from any or all statutory provisions related to construction project contracts. Provide that plans for UW-Madison building projects would not be subject to public inspection unless otherwise provided by DOA rule, which currently applies to plans for state building projects. Require UW-Madison to report to DOA by October 1 of each year the total cost of occupancy of each building, structure, or facility owned by UW-Madison in the previous fiscal year.

[Bill Sections: 268 thru 271, 273, 274, 285, 286, and 302 thru 304]

10. MODIFY PROJECT MANAGEMENT PROVISIONS TO REFER TO UW-MADISON

Governor: Modify current law to permit DOA or the Building Commission to engage in certain actions if those actions are deemed to be in the best interest of UW-Madison or the state. Under current law, DOA or the Building Commission may engage in certain actions if those actions are deemed to be in the best interest of the state. These actions include: (a) bidding of projects with estimated construction costs of less than $40,000; (b) rejection of any or all bids; (c) issuance of change orders by DOA; (d) enter into contracts for articles and materials that are available from only one source; (e) approval of changes to the list of subcontractors; (e) waiver by the Building Commission of any or all statutory provisions related to construction project contracts; and (f) waiver by the Governor of any or all statutory provisions related to construction project contracts in emergency situations. In addition, modify certain other nonsubstantive provisions to reflect the creation of the UW-Madison authority.

[Bill Sections: 38, 41, 51, 52, 277, 279 thru 281, 284, and 286]

11. POWER PLANTS AND FUEL AND UTILITIES

Governor: Provide that UW-Madison would be subject to current law provisions governing state-owned power plants and fuel and utilities purchases except that: (a) the appointment of a chief operating engineer for any UW-Madison owned power plant would not be subject to DOA approval and the engineer would not be required to report to the DOA Secretary; and (b) DOA would not review and approve the rates UW-Madison charges its appropriations for fuel, water, sewage treatment service, electricity, heat or chilled water that the agency provides to itself.

[Bill Sections: 305 thru 321]

12. SALE OF FUEL AND UTILITY SERVICE

Governor: Provide that UW-Madison may sell fuel, water, sewage treatment service, electricity, heat, or chilled water to a state or federal agency, a local government, or a private entity subject to approval of DOA. Exempt UW-Madison from the following current law provisions governing the sale of utility service: (a) DOA review and approval rates charged for the sale of fuel or utility services; and (b) a requirement that any agency that would sell fuel and utility services to a private entity contact the public utilities in that service area prior to contracting for the sale of fuel or utility services and would be prohibited from entering into the sale of fuel and utility services if a public utility objected.

[Bill Section: 322]

13. ENERGY CONSERVATION AUDITS AND CONSTRUCTION PROJECTS

Governor: Under the bill, DOA would not have the authority to contract for an energy conservation audit to be performed at any building, structure, or facility owned by UW-Madison. DOA would not have the authority to contract for work identified within such an audit to be performed at a such a building, structure, or facility. Under current law, DOA has the authority to contract for an energy conservation audit and any work identified by such an audit at any state-owned building, structure, or facility, including those under the control of the UW System.

Other Provisions

1. PURCHASING THROUGH HIGHER EDUCATION CONSORTIA AND RELATED PROVISIONS

Governor: Provide that, in general, UW-Madison would be subject to current law governing purchasing. Provide that DOA would delegate to the UW-Madison Board of Trustees the authority to enter into contracts for materials, supplies, equipment, or services that relate to higher education and that agencies other than the UW System or UW-Madison do not commonly purchase. Authorize the UW-Madison Board of Trustees to enter into agreements with other higher education institutions under which any of the parties may agree to participate in, administer, sponsor, or conduct purchasing of materials, supplies, equipment, permanent personal property, miscellaneous capital, or contractual services. Provide that UW-Madison would be able to purchase from any vendor selected as a result of such purchasing agreements.

Provide that UW-Madison purchases with funds other than those shown in the appropriation schedule would be exempt from a provision prohibiting the purchase of contractual services performed outside of the United States.

Provide that current law related to the purchase of materials, supplies, equipment, and contractual services related to information technology, telecommunications, and educational technology would also apply to UW-Madison.

[Bill Sections: 232, 236, 241, 243, 244, 263, and 338 thru 340]

2. SETOFFS FROM CONTRACT PAYMENTS

Governor: Provide that UW-Madison could withhold, or setoff, a portion of payments due under a contract with a vendor if the Department of Revenue has notified the Department of Administration that the vendor owes taxes to the state and requests such action. Provide that UW-Madison would transfer the amounts setoff to the Department of Revenue quarterly. Specify that UW-Madison may collect tax identification information from vendors and provide this information to the Department of Revenue. Provide that UW-Madison would not be liable to any vendor because of these setoffs. These provisions currently apply to the Department of Administration.

[Bill Sections: 300 and 2145 thru 2149]

3. DOA RISK MANAGEMENT SERVICES

Governor: Provide that UW-Madison may elect not to participate in statewide risk management programs coordinated by DOA. Specify that to elect not participate in these risk management programs in the following fiscal year, UW-Madison would have to provide written notice to DOA no later than December 31 preceding the beginning of the fiscal year. Specify that a notice of nonelection would apply to all subsequent fiscal years unless UW-Madison provides written notice no later than December 31 preceding the beginning of a fiscal year that it has elected to participate in the risk management programs coordinated by DOA. Specify that any notice of election from UW-Madison would apply to all subsequent fiscal years unless UW-Madison provided timely notice of nonelection. Modify current law to permit UW-Madison to participate in or benefit from risk management programs coordinated by DOA if UW-Madison elects to participate in such programs.

Under current law, the purpose of the risk management programs coordinated by DOA is to protect the state from losses which are catastrophic in nature and minimize the cost of providing protection against accidental loss. To this end, DOA: (a) identifies and evaluates the state's exposure to loss, the exposure of state employees to loss, and the exposure of the public to injury by reason of fire or other accidents on state-owned properties and facilities; (b) recommends changes in procedures, program conditions, or capital improvement to eliminate or reduce existing exposure; (c) manages the state employees' worker's compensation program and statewide self-funded programs to protect the state from losses of and damage to state property and liability; (d) arranges appropriate insurance contracts for the state and its employees; (e) trains, upgrades, and guides appropriate personnel in the implementation of sound risk management practices; and (f) contracts for investigation and adjustment services that would be performed more economically or efficiently through such a contract. DOA charges each state agency for risk management services provided.

[Bill Sections: 290 thru 296, 723, and 724]

4. UW-MADISON EMPLOYEES PROTECTED FROM CLAIMS

Governor: Provide that current law protecting state employees from claims and limiting the amount of damages that could be awarded would apply to officers, directors, employees, or agents of the UW-Madison Board of Trustees. Provide that an officer, director, employee, or agent of the Board of Trustees of UW-Madison would be considered a state officer, director, employee, or agent in the case that a court action is brought against such a person acting in his or her official capacity. If damages would be awarded pursuant to such an action, the damages, less any amount covered by insurance, would be paid by the state. In addition, regardless of the outcome of such an action, the state would provide legal counsel or pay reasonable attorneys fees less any applicable insurance.

[Bill Sections: 3499 and 3505]

5. REPRESENTATION BY THE STATE ATTORNEY GENERAL

Governor: Provide that, at the request of the head of the Board of Trustees of UW-Madison, the Attorney General could appear for and defend UW-Madison as if it were a state department in any civil action or other matter brought before a court or an administrative agency. Provide that the Attorney General could appear for or defend any official, employee, or agent of the Board of Trustees of UW-Madison as a state official, employee, or agent when an action is brought against that individual on account of acts committed in the lawful course of an officer's, employee's, or agent's duties. Provide that the Attorney General would also appear for and represent the Board of Trustees of UW-Madison or any UW-Madison official, employee, or agent if so requested by the Governor or either house of the Legislature.

Under current law, the head of the UW System may request the Attorney General to appear for or defend the UW System or any UW System official, employee, or agent for acts committed in the lawful course of that individual's duties. The Governor and both houses of the Legislature may request the Attorney General to appear for and represent the UW System or any UW System official, employee, or agent.

[Bill Section: 2680]

6. EXEMPT RESEARCH AND STUDIES FROM PUBLIC INSPECTION

Governor: Provide that any governing body that has custody of a record could withhold from public inspection any record that is produced for collected by or for a UW-Madison faculty or staff member in conducting research or a study on a commercial, scientific, or technical subject until that information is publicly disseminated or patented. Specify that this would apply to research and studies sponsored by the research alone or in conjunction with other entities or private person. Under the bill, this provision would also apply to records produced or collected by UW System and technical colleges faculty and staff.

[Bill Sections: 354 and 355]

7. CONFLICT OF INTEREST, OPEN MEETINGS, AND PROTECTION OF ACADEMIC FREEDOM

Governor: Provide that current law exempting UW System contracts with research companies from statutes prohibiting private interest in public contracts in certain cases would also apply to UW-Madison contracts with research companies.

Provide that UW-Madison departments and their subunits would be exempt from regulations regarding the public noticing of meetings but would be required to apprise interested persons and news media who have filed written requests for such notice. This provision is identical to current law regarding the public noticing of meetings of the departments and their subunits of UW System institutions.

Provide that any audit performed by the Legislative Audit Bureau (LAB) would not examine issues related to academic freedom or the manner in which individual faculty members or groups of faculty members conduct their instructional, research, or public service activities within UW-Madison. Provide that LAB would not examine or comment on the content of various academic programs, including degree requirements, majors, curriculum, or courses, within UW-Madison. Provide that LAB may review the procedures by which decisions are made and priorities are set and implemented within UW-Madison. These provisions are identical to current law relating to the UW System.

[Bill Sections: 64, 363, 3533, and 3534]

8. TAX TREATMENT AND MUNICIPAL PAYMENTS

Governor: Provide that UW-Madison would be exempt from state general sales and use taxes and from state corporate taxes as under current law. Provide that all property owned or leased by UW-Madison would be exempt from property taxes provided that use of the property is primarily related to the purposes of UW-Madison. Provide that property of UW-Madison would be subject to all special assessments for local improvements and that assessments in excess of $50,000 would require approval by the Building Commission as under current law.

Provide that DOA would make municipal payments on behalf of UW-Madison. Provide that DOA would be responsible for negotiating municipal service payments on behalf of UW-Madison. Provide that DOA may delegate this responsibility to UW-Madison.

Under current law, DOA charges these municipal payments back to state agency program revenue and segregated fund appropriations. Under the bill, UW-Madison's auxiliary enterprises, which would include residence halls, dining halls, students unions, athletics facilities, and other non-academic facilities, would not appear in the appropriation schedule and therefore could not be charged for municipal services by DOA.

[Bill Sections: 42, 1726, 1727, 1748, 1750, 1751, 1895, and 2180]

9. LEGISLATIVE OVERSIGHT PROVISIONS

Governor: Provide that the Legislative Audit Bureau would have the authority to conduct postaudits of UW-Madison and that the Legislative Fiscal Bureau would similarly have access to UW-Madison. Provide that any report that UW-Madison would be statutorily required to submit to the Legislature, the Speaker of the Assembly, the President of the Senate, or any standing committee of the Legislature other than the Joint Committee on Finance would be submitted to the Chief Clerk of each house of the Legislature, as under current law for all state agencies. Provide that UW-Madison would be subject to current law regulating lobbying activities by state agencies. Designate UW-Madison as a state agency for the purpose of negotiating interstate compacts. Provide that no such compact negotiated by UW-Madison would take effect until approved by a joint resolution or bill by the Legislature as under current law for all state agencies.

[Bill Sections: 32, 62, 70, 71, and 78]

10. DOA OVERSIGHT PROVISIONS AND EXEMPTIONS

Governor: Require UW-Madison to comply with all requests of the DOA Secretary related to his or her functions. Specify that UW-Madison's books, accounts, and other matters would be subject to examination by DOA and that UW-Madison would furnish information related its financial transactions to the DOA Secretary. Provide that UW-Madison would submit quarterly reports projecting the revenues and expenditures of program revenue and segregated revenues appropriations and, in the case that it projects that there would be insufficient funds to cover anticipated expenditures, submit a plan to DOA to assure there would be sufficient funds to meet projected expenditures.

Provide that UW-Madison would assist in the preparation of the state budget report, budget bill, and in auditing accounts and would submit an agency budget request to DOA and the Legislative Fiscal Bureau by September 15 of each even-numbered year.

Provide that UW-Madison would be exempt from certain powers and authorities of the Department of Administration. These exemptions would include: (a) the DOA Secretary may not charge or prescribe procedures for UW-Madison to charge central services costs to federal grants or contracts; (b) DOA regulations regarding the review and audit of travel expenditures would not apply to UW-Madison; (c) the public records board would not consult with UW-Madison to determine what records are essential for operation during a state of emergency and provide for their preservation; (d) DOA would not appoint a principal engineer or architect for UW-Madison; and (e) UW-Madison would not be required to pay interest on late payments. DOA rules and policies in the following areas would also not apply to UW-Madison: (a) notification of improper invoices; (b) rental of state-owned housing; (c) surveillance of employees; and (d) fleet management and the use of gasohol, alternative fuels, and hybrid-electric vehicles.

[Bill Sections: 183 thru 187, 190, 192, 215, 218, and 220 thru 223]

11. PARKING

Governor: Provide that current law regarding the use of immobilization devices for parking enforcement by the UW System Board of Regents and chancellors and parking by the Department of Transportation on UW System property would also apply to the UW-Madison Board of Trustees and chancellor on UW-Madison property. Provide that statutory procedures related to nonmoving violations would apply to violations of parking rules promulgated by the UW-Madison Board of Trustees.

[Bill Sections: 3183 thru 3185, and 3189 thru 3192]

12. ENVIRONMENTAL EDUCATION BOARD GRANTS

Governor: Specify that UW-Madison would be eligible to receive grants from the environmental education board. The environmental education board is attached to the UW System.

[Bill Sections: 1015 and 1016]

13. EXTEND CURRENT LAW PROVISIONS TO UW-MADISON

Governor: Modify certain current law references to the UW System, the UW Board of

Regents, or UW System institutions to also refer to UW-Madison or the UW-Madison Board of Trustees. References that would be modified include: (a) certification of accounts; (b) preservation of records; (c) purchase by DOA of educational technology materials, supplies, equipment, or services; (d) exemption of course-related construction work performed by students from provisions governing construction project contracts; (e) facilities and staff sharing with the technical colleges; (f) forestry internships; (g) cooperation with the Department of Natural Resources to promote forest surveys, research, and protection; (h) power to acquire land by condemnation; (i) cooperation in lake protection and rehabilitation projects; (j) exemption for faculty, academic staff, and student from fees charged by the historical society for use of the main library; (k) use of the federal documents depository maintained by the historical society; (L) provision of preadoption preparation; (m) construction or improvement of roads by the Department of Transportation; (n) soil erosion rate on farms; (p) prohibit smoking within 25 feet of a residence hall; (q) requirement regarding automatic fire sprinkler systems in residence halls; (r) preference in the awarding of precollege scholarships given to certain students; (s) provision of leadership, coordination, and education services by cooperative educational service agencies (CESAs) and contracts with CESAs; (t) youth options program; (u) funding for groundwater research; (v) requisition of unclaimed dogs for scientific or educational purposes; (w) work with the Department of Health Services to develop long-term solutions to health problems of minority group members; (y) use of materials developed by the Department of Health Services for the recruitment of economically disadvantaged minority group students into programs leading to careers in health care; (z) storm water discharge grants; (aa) coordination of research, technical assistance, and education programs related to solid waste reduction, recovery, and recycling by the Department of Natural Resources; (bb) advisement by and cooperation with the council on physician assistants; (cc) collection of forfeitures; (dd) deposition orders; (ee) exemption from liability for donors of technology and equipment; (ff) notification above the development zone program; (gg) advisement by the land and water conservation board, the Department of Agriculture, Trade and Consumer Protection, and each county land conservation committee related to soil and water conservation research and educational programs; and (hh) references to a campus under state law governing alcohol beverages.

Provide that the following current law provisions would continue to apply to UW-Madison: (a) UW-Madison would be prohibited from submitting a claim to the Department of Natural Resources for compensation for well contamination or abandonment as under current law; (b) that UW-Madison must adhere to state laws governing the recovery of ozone-depleting refrigerants as under current law; (c) UW-Madison would not be considered a restaurant for the purpose of statutes governing food protection if it only serves meals to UW-Madison students or to authorized elderly persons as under current law; (d) UW-Madison would be eligible to receive cancer control and prevention grants awarded by the Department of Health Services as under current law.

Provide that UW-Madison would be considered a state agency for the purpose of departmental cooperation and a municipality for the purpose of intergovernmental cooperation.

[Bill Sections: 224, 230, 231, 243, 288, 802, 803, 912, 914, 922, 946, 947, 1178, 1180, 1181, 1341, 1720, 2233, 2288 thru 2291, 2332, 2334 thru 2337, 2444, 2455, 2461, 2462, 2530, 2531, 2604, 2676, 2704, 2869, 2870, 2885, 2890, 2926, 2928, 2953, 2959, 3213, 3427, 3484, 3494, and 3506]

UNIVERSITY OF WISCONSIN SYSTEM

	Budget Summary					FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$1,149,513,300	$574,914,700	$639,136,400	-$1,084,975,500	- 47.2%	18,483.93	11,447.50	11,447.50	- 7,036.43	- 38.1%
FED	1,743,150,100	862,852,300	862,852,300	-1,760,595,600	- 50.5	5,413.90	916.77	916.77	- 4,497.13	- 83.1
PR	2,486,056,600	1,289,476,800	1,320,634,300	-2,362,002,100	- 47.5	9,477.42	3,691.19	3,691.19	- 5,786.23	- 61.1
SEG	33,773,400	7,953,800	7,953,800	-51,639,200	- 76.4	126.09	25.59	25.59	- 100.50	- 79.7
TOTAL	$5,412,493,400	$2,735,197,600	$2,830,576,800	-$5,259,212,400	- 48.6%	33,501.34	16,081.05	16,081.05	- 17,420.29	- 52.0%

Budget Change Items

Systemwide

1. STANDARD BUDGET ADJUSTMENTS

GPR	$123,387,600
PR	68,149,200
SEG	100,800
Total	$191,637,600

Governor: Adjust the base budget by $61,693,800 GPR, $34,074,600 PR, and $50,400 SEG annually for: (a) restoration of the funding removed for furloughs during the 2009-11 biennium ($20,476,900 GPR, $17,197,600 PR, and $12,300 SEG annually); (b) full funding of the June, 2009, 2% pay plan adjustment for represented classified staff, teaching assistants, engineers ($4,295,400 GPR, $1,505,000 PR, and $400 SEG annually); (c) full funding of fringe benefits ($36,071,000 GPR, $15,118,400 PR, and $37,700 SEG annually); (d) full funding of 2008-09 and 2009-10 craftworker prevailing rate increases ($485,000 GPR and $165,500 PR annually); (e) full funding for reclassifications and semiautomatic pay progression adjustments granted during 2008-09 and 2009-10 ($257,900 GPR and $88,100 PR annually); and (f) full funding of lease and directed move costs for UW System Administration, UW Colleges, UW-Extension, and the State Laboratory of Hygiene ($107,600 GPR annually).

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $48,549,800

Governor: Delete $24,274,900 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs. Although fringe benefit costs are charged to many of the UW System's PR, FED, and SEG appropriations, those appropriations were not adjusted to reflect employee WRS contributions and the lower percentage of health insurance premiums to be paid by the employer.

3. BASE BUDGET REDUCTION

GPR	- $125,000,000

Governor: Delete $62,500,000 annually from the general program operations appropriations for the UW System and UW System administration. The table below shows the reductions by appropriation, subprogram (where applicable), and the reductions as a percent of adjusted base level funding less other adjustments under the bill. Budget documents provided by the Department of Administration indicate that the reductions made to the UW System's general program operations appropriation should be realized by reducing permanent position salaries although no positions would be deleted. DOA budget documents indicate that reductions to UW System administration's general program operations appropriation would be made as follows: (a) $1,632,500 from salaries; (b) $625,500 from fringe benefits; and (c) $146,600 from supplies and services. No UW System administration positions would be deleted according to DOA budget documents.

Appropriation/Subprogram	Base Reduction	Base Reduction as % of the Adjusted Base Less Other Adjustments Under the Bill
UW System		
General Program Operations		
Doctoral institutions	-$13,427,700	11.9%
Comprehensive institutions	-37,200,600	13.0
UW Colleges	-3,677,500	11.9
UW-Extension	-5,789,600	11.9
UW System Administration		
General Programs Operations	-2,404,600	25.0

4. PLAN FOR UW SYSTEM ADMINISTRATION REDUCTIONS

Governor: Require the Board of Regents to submit a plan to the Secretary of DOA by October 1, 2011, specifying its preferences for allocating the funding reduction to UW System Administration. Specify that the funding reduction would be the net of all changes made to the UW System administration's general program operations appropriation under the bill compared to the annual funding amounts provided in the 2009-11 biennium ($2,335,100 annually). Require the Board of Regents to implement the plan as approved, or modified and approved, by the DOA Secretary.

[Bill Section: 9152(3)]

5. DEBT SERVICE REESTIMATE

GPR	$115,400,800
PR	- 28,034,000
Total	$87,366,800

Governor: Increase funding by $55,311,100 GPR in 2011-12 and $60,089,700 GPR in 2012-13 and decrease funding by $17,523,400 PR in 2011-12 and $10,510,600 PR in 2012-13 to reflect the current law reestimate of GPR and PR debt service costs on state general obligation bonds and commercial paper debt issued for the UW System.

6. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $117,279,300

Governor: Decrease funding by $122,829,300 in 2011-12 and increase funding by $5,550,000 in 2012-13 to reflect changes in estimated debt service costs associated with the proposed restructuring of general obligation bonds and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts. (See "Building Commission" for additional information regarding this provision.)

7. FUEL AND UTILITY REESTIMATE

GPR	$3,764,300

Governor: Provide $1,303,100 in 2011-12 and $2,461,200 in 2012-13 for increases in fuel and utility costs, over base level funding for the UW System (less UW-Madison) of $53,746,200. Traditionally, increases in fuel and utility costs have been split funded with 65% GPR and 35% program revenue from tuition. In addition to the GPR funding provided under the bill, DOA budget documents indicate that tuition revenue expenditures for fuel and utility costs would increase by $701,700 in 2011-12 and $1,325,200 in 2012-13. No additional tuition revenue expenditure authority would be provided under this item; however, another item under this section would provide additional tuition revenue expenditure authority for the UW System, a portion of which could be used to fund additional fuel and utility costs.

8. ADJUST ACADEMIC FEES APPROPRIATION TO REFLECT 2010-11 OPERATING LEVELS

PR	$219,531,800

Governor: Provide $109,765,900 annually to reflect increases in tuition revenues beyond the amount shown in the appropriation schedule attributable to: (a) tuition increases during the 2009-10 and 2010-11 academic year to offset base GPR reductions under the 2009-11 biennial budget ($35,000,000); (b) differential tuitions approved by the Board of Regents ($34,208,400); (c) increases in enrollment ($20,557,500); and (d) tuition increases to fund veterans' tuition remissions ($20,000,000).

9. INCREASE TUITION REVENUE AUTHORITY TO ALLOW 5.5% INCREASES IN RESIDENT UNDERGRADUATE TUITION

PR	$107,250,000

Governor: Provide additional tuition revenue expenditure authority of $35,750,000 in 2011-12 and $71,500,000 in 2012-13. These increases correspond with increases in resident undergraduate tuition of 5.5% in each year of the biennium. According to the administration, these amounts were calculated assuming that a 1% increase in resident undergraduate tuition charged to all resident students, including those enrolled at UW-Madison, would generate an additional $6.5 million annually in tuition revenues. Under another item, the portion of this additional tuition revenue that would be generated by UW-Madison would be deleted.

Under current law, tuition increases for resident undergraduate students are limited to an amount sufficient to fund all of the following: (a) in an odd-numbered year, the highest amount shown in the appropriation schedule for the tuition appropriation for that year in the Joint Finance Committee version of the budget bill, the engrossed budget bill, or the enrolled budget bill; (b) in an even-numbered year, the amount shown in the appropriation schedule for the tuition appropriation; (c) the approved recommendations of the Director of the Office of State Employment Relations for compensation and fringe benefits for classified and unclassified staff; (d) the projected loss in revenue caused by a change in the number of enrolled undergraduate, graduate, resident and nonresident students from the previous year; (e) state-imposed costs not covered by GPR as determined by the Board; (f) distance education, intersession, and nontraditional courses; and (g) differential tuition that is approved by the Board but not included in the tuition appropriation.

This item would not cap resident undergraduate tuition increases at 5.5%; however, if this item were approved and (c) through (g) above were zero, then increases in resident undergraduate tuition would be expected to be 5.5% in each year of the biennium.

10. STUDENT TECHNOLOGY FEE REVENUES

PR	$4,172,700

Governor: Provide $1,471,400 in 2011-12 and $2,701,300 in 2012-13 for instructional technology, advising, and undergraduate education to reflect projected higher student technology fee revenues attributable to general tuition revenue growth. The student technology fee is set as a percentage of overall tuition (2.5% at Madison, 2.0% at all other campuses) and therefore, fee revenues increase along with tuition. This request would provide the UW System with expenditure authority for those revenues.

11. PLAN FOR UW-MILWAUKEE AUTHORITY

Governor: Require the Board of Regents to submit a plan to the Secretary of DOA for the conversion of UW-Milwaukee to an authority by October 1, 2012. Require the Board to allocate $250,000 from the appropriation for UW System administration general program operations for the development of this plan. Require the Board to submit a plan to the DOA Secretary by October 1, 2011, specifying how the Board would allocate the funds. Require the

Board to implement the plan as approved by the DOA Secretary which may include modifications made by the DOA Secretary.

[Bill Section: 9152(2)]

12. EXEMPT RESEARCH AND STUDIES FROM PUBLIC INSPECTION

Governor: Provide that any governing body that has custody of a record could withhold from public inspection any record that is produced for collected by or for a UW System faculty or staff member in conducting research or a study on a commercial, scientific, or technical subject until that information is publicly disseminated or patented. Specify that this would apply to research and studies sponsored by the research alone, or in conjunction with other entities, or a private person. Under the bill, this provision would also apply to records produced or collected by UW-Madison and technical colleges faculty and staff.

[Bill Sections: 354 and 355]

13. TUITION REMISSIONS FOR VETERANS AND CERTAIN DEPENDENTS

Governor: Require the Board of Regents to grant a full remission of tuition and segregated fees for 128 credits or eight semesters, whichever is longer, less the number of credits or semesters for which the person received remission of tuition and fees from any technical college and from the UW-Madison Board of Trustees, which would be created under the bill, but not less the amount of any tuition or segregated fees paid under the federal Post-9/11 G.I. Bill, to certain veterans, children, and spouses. Specify that this provision would take effect retroactively on January 1, 2010, and would first apply to students who enrolled in the spring, 2010, semester.

Under current law, the Board of Regents is required to grant a full remission of resident tuition and segregated fees for 128 credits or eight semesters, whichever is longer, less the number of credits or semesters for which the person received remission of tuition and fees from any technical college and less the amount of any tuition or segregated fees paid under the federal Post-9/11 G.I. Bill, to certain veterans, children, and spouses. The Board of Regents is also required to remit the nonresident portion of tuition to veterans who qualify as residents for the purpose of receiving veterans' benefits but not for tuition purposes. Before granting a remission of tuition and segregated fees to an eligible veteran, child, or spouse, the Board of Regents must require the student who is an eligible veteran, child, or spouse to apply to the payment of tuition and fees all educational assistance to which the student is entitled under the federal Post-9/11 G.I. Bill. This provision applies even if the student is eligible for benefits under the Montgomery G.I. Bill or certain other federal education programs for veterans and dependents unless the student is eligible for 12 months or less of benefits under those programs.

According to the administration, the intent of this provision is to require the Board of Regents, the technical college district boards, and the UW-Madison Board of Trustees to grant a full remission of tuition and fees charged for 128 credits or eight semesters, whichever is longer, without regard to the number of credits or semesters for which the student received educational assistance under federal programs for eligible veterans.

[Bill Sections: 996 thru 999, 9352(1), and 9452(1)]

14. ELIMINATE NONRESIDENT TUITION EXEMPTIONS FOR CERTAIN UNDOCUMENTED PERSONS

Governor: Delete provisions created in 2009 Act 28 that exempt a person who is a citizen of another country from nonresident tuition if that person meets all of the following requirements: (a) the person graduated from a Wisconsin high school or received a high school graduation equivalency declaration from this state; (b) the person was continuously present in this state for at least three years following the first day of attending a Wisconsin high school or immediately preceding the receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in a UW System institution or Wisconsin technical college and provides the institution or college with proof that the person has filed or will file an application for a permanent resident visa with the U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. Specify that this provision would first apply to persons who enroll for the semester or session following the bill's effective date.

[Bill Sections: 995 and 9352(2)]

15. DELETE LAWTON PROGRAM STATUTORY LINK

Governor: Modify the appropriation for the Lawton minority undergraduate grants program to make it a sum certain appropriation and delete language specifying how increases in the appropriation should be calculated. Under current law, the appropriation for the Lawton program is sum sufficient with funding increases linked to the average percent increase in resident undergraduate tuition at UW System institutions. This statutory link, which was established by 2001 Act 109, has been suspended in each biennium since it was established. However, funding increases for the Lawton program were based on estimates of future tuition increases during the 2005-07, 2007-09, and 2009-11 biennia. There is a similar statutory link between funding for the Wisconsin higher education grant program for UW students (WHEG-UW) and the average percentage increase in resident undergraduate tuition at UW System institutions. This link would be suspended under the bill to provide no increases for WHEG-UW, which is shown under the "Higher Educational Aids Board."

[Bill Sections: 580 and 1005]

16. MODIFY PROGRAM REVENUE APPROPRIATION FOR LABORATORIES AND SCHOOLS OF BUSINESS

Governor: Modify the program revenue appropriations for laboratories and schools of business to make them continuing appropriations. Both appropriations are funded with academic student fees and are annual appropriations under current law. Specify that expenditures from all program revenue appropriations that are not continuing appropriations may not exceed the amounts shown in the appropriation schedule unless those expenditures are approved by the Joint Committee on Finance under s. 13.10 or s. 16.515 of the statutes.

[Bill Sections: 365, 569, and 570]

17. DELETE OBSOLETE APPROPRIATIONS

Governor: Delete the general purpose revenue appropriations for lease rental payments and self-amortizing facilities principal and interest and the program revenue appropriations for charter school operator payments, charter school, lease rental payments, and student related activities. Each of these appropriations has base funding level of zero.

[Bill Sections: 219, 545, 546, 552, 553, 562, 564, 567, 579, 584, 799, and 1009 thru 1011]

18. ELIMINATE CERTAIN REPORTING REQUIREMENTS

Governor: Eliminate the current law requirement that the Board of Regents report to the Department of Administration and the Joint Committee on Finance the amount by which expenditures from the appropriations for auxiliary operations and general operations receipts exceeded the amounts shown in the appropriation schedule in the previous fiscal year.

[Bill Section: 958]

Transfers to Proposed UW-Madison Authority

1. TRANSFERS OF ASSETS AND LIABILITIES TO UW-MADISON AUTHORITY

Governor: Provide that, on the effective date of the bill, the UW System would transfer all assets, liabilities, tangible personal property, including real property, moneys in the university trust funds, and records, and pending matters that relate to the operation of UW-Madison, as determined by the DOA Secretary, to the UW-Madison authority. Provide that all employees holding positions in the UW System assigned to UW-Madison would be transferred to UW-Madison. Specify that any cooperative agreements or rules, policies, and procedures would remain in effect until modified. Provide that all contracts entered into by the Board of Regents that are primarily related to the operation of UW-Madison, as determined by the DOA Secretary, and the lease and affiliation agreements with the UW Hospitals and Clinics Authority Board of Directors would remain in effect and would be transferred to the Board of Trustees. Provide that the Board of Regents would provide the UW-Madison authority with the usual and customary services provided and any other services or resources necessary to complete these transfers until the Board of Trustees notifies the Board of Regents that these transfers have been completed.

[Bill Sections: 1087 and 9152(1)]

2. TRANSFER GPR TO UW-MADISON

	Funding	Positions
GPR	- $771,237,600	- 6,699.36

Governor: Transfer $385,618,800 annually and delete -6,699.36 positions beginning in 2011-12 related to the creation of the UW-Madison authority. Under the bill, UW System employees assigned to UW-Madison would become employees of the UW-Madison authority.

The amounts that would be transferred are shown by appropriation and, where applicable, program, in the table below.

Appropriation Title	Adjusted Base	Transfer Amount	% Transferred
General program operations	$791,967,400	-$292,979,200	37.0%
Student aid	1,333,900	-316,500	23.7
Distinguished professorships	871,100	-281,800	32.3
Industrial and economic development research	1,776,700	-1,243,400	70.0
Energy costs	132,291,400	-78,545,200	59.4
Educational technology	6,617,300	-817,600	12.4
Schools of business	1,742,500	-1,002,100	57.5
Extension outreach	365,400	-365,400	100.0
Grants for study abroad	990,000	-168,300	17.0
Laboratories	3,867,900	-1,287,700	33.3
Minority and disadvantaged programs	11,459,300	-2,199,200	19.2
Graduate student financial aid	8,322,800	-4,934,300	59.3
Lawton minority undergraduate retention grants	6,757,900	-1,478,100	21.9

3. TRANSFER GPR DEBT SERVICE TO UW-MADISON

GPR	- $146,462,900

Governor: Transfer $38,184,300 in 2011-12 and $108,278,600 in 2012-13 to the UW-Madison authority, which would be created under the bill, to fund GPR debt service costs on state general obligation bonds and commercial paper debt issued for UW-Madison.

4. TRANSFER STANDARD BUDGET ADJUSTMENTS TO UW-MADISON

GPR	- $58,726,800
PR	- 143,800
Total	- $58,870,600

Governor: Transfer $27,251,600 annually from UW System's general program operations appropriation to the UW-Madison authority related to standard budget adjustments. In addition, transfer $2,111,800 GPR and $71,900 PR annually for standard budget adjustments attributable to appropriations transferred in whole from the UW System to the UW-Madison authority. The amounts transferred are shown by appropriation in the table below.

GPR	General program operations	-$27,251,600
GPR	Area health education centers	-10,000
GPR	Extension outreach	-18,500
GPR	Department of family medicine and practice	-697,400
GPR	State laboratory of hygiene; general program operations	-791,300
GPR	Veterinary diagnostic laboratory	-343,000
GPR	Alcohol and other drug abuse prevention and intervention	-3,900
GPR	Services received from UWHCA	-247,700
PR	Center for urban land economics research	-71,900

5. TRANSFER DEPARTMENT OF FAMILY MEDICINE AND PRACTICE FUNDING

	Funding	Positions
GPR	- $19,913,200	- 125.82

Governor: Transfer $9,956,600 annually and 125.82 positions beginning in 2011-12 related to the department of family medicine and practice to the proposed UW-Madison authority. Delete the appropriation and related statutory language.

[Bill Sections: 547 and 980]

6. TRANSFER STATE LABORATORY OF HYGIENE

	Funding	Positions
GPR	- $19,169,400	- 131.25
PR	- 46,981,000	- 178.50
Total	- $66,150,400	- 309.75

Governor: Transfer $9,584,700 GPR and $1,619,200 PR annually and 131.25 GPR positions and 178.50 PR positions beginning in 2011-12 to the proposed UW-Madison authority and delete $21,871,300 PR annually related to the State Laboratory of Hygiene. Delete the appropriations for the State Laboratory of Hygiene and related statutory language.

[Bill Sections: 548, 555, 556, 975, 2882, and 3085]

7. TRANSFER VETERINARY DIAGNOSTIC LABORATORY

	Funding	Positions
GPR	- $9,424,200	- 77.90
PR	- 9,560,000	- 8.00
FED	- 3,351,800	- 4.00
Total	- $22,336,000	- 89.90

Governor: Transfer $4,712,100 GPR and $4,780,000 PR annually and 77.9 GPR positions and 8.0 PR positions beginning in 2011-12 to the proposed UW-Madison authority and delete $1,675,900 FED annually and 4.0 positions related to the veterinary diagnostic laboratory. Delete the appropriations for the veterinary diagnostic laboratory and the related statutory language.

[Bill Sections: 549, 558, 565, 571, 800, and 1024]

8. TRANSFER UW HOSPITALS AND CLINICS AUTHORITY AGREEMENTS

	Funding	Positions
GPR	- $9,289,200	0.00
PR	- 71,280,000	- 33.38
Total	- $80,569,200	- 33.38

Governor: Transfer the lease and affiliation agreements between the UW System Board of Regents and the University of Wisconsin Hospitals and Clinics Authority (UWHCA) to the UW-Madison Board of Trustees. Transfer $35,640,000 PR annually and 33.38 positions beginning in 2011-12 for services provided to UWHCA to the proposed UW-Madison authority. Delete $4,644,600 GPR annually for services received from UWHCA, both appropriations, and statutory language related to UWHCA except a provision exempting UWHCA building projects from approval by the Board of Regents.

[Bill Sections: 554, 583, 584, 952, 955, 956, 978, and 9152(1)]

9. TRANSFER AREA HEALTH EDUCATION CENTER

	Funding	Positions
GPR	- $2,286,000	- 1.10

Governor: Transfer $1,143,000 annually and 1.10 positions beginning in 2011-12 to the proposed UW-Madison authority related to the area health education center. Delete funding for area health education centers and the related statutory language but do not delete the appropriation. Under current law, the UW Board of Regents maintains an area health education center at UW-Madison to support community-based primary care training programs.

[Bill Section: 991]

10. TRANSFER AODA PREVENTION AND INTERVENTION PROGRAMS FUNDING

	Funding	Positions
GPR	- $151,400	- 1.00

Governor: Transfer $75,700 annually and 1.0 position beginning in 2011-12 from the appropriation for alcohol and other drug abuse (AODA) prevention and intervention to the proposed UW-Madison authority. Modify current law to require the UW System Board of Regents to appoint AODA prevention and intervention counselors only for UW-Milwaukee instead of for UW-Madison and UW-Milwaukee as under current law. Under the bill, no funding would be provided to the UW System Board of Regents for AODA prevention and intervention programs but the appropriation and language would be retained.

[Bill Section: 1012]

11. TRANSFER FARM SAFETY PROGRAM GRANTS FUNDING

GPR	- $38,400

Governor: Transfer $19,200 annually for farm safety program grants to the proposed UW-Madison authority. Under the bill, no funding would be provided to the UW System Board of Regents for farm safety grants but the appropriation and related language would be retained.

Under current law, the Board of Regents awards grants totaling not more than $500 annually per county to sponsors of farm safety education, training, or information programs.

12. DELETE PROGRAM REVENUE RELATED TO UW-MADISON

	Funding	Positions
PR	- $1,515,427,000	- 5,195.60

Governor: Delete $757,713,500 annually and 5,195.6 positions beginning in 2011-12 related to the creation of the proposed UW-Madison authority. Under the bill, UW-Madison would not be required to deposit these revenues in the state treasury and these revenues would not appear in the appropriation schedule. Under the bill, UW System employees assigned to UW-Madison would become employees of the UW-Madison authority.

The amounts that would be transferred are shown by appropriation and, where applicable, subprogram in the table below.

Appropriation Title	Adjusted Base	Transfer Amount	% Transferred
Physical plant service departments	$2,105,700	-$2,105,700	100.0%
Auxiliary enterprises	536,986,600	-162,264,900	30.2
Stores	4,526,000	-4,486,800	99.1
Extension outreach	130,000	-130,000	100.0
Extension student fees	41,188,900	-3,785,300	9.2
General operations receipts	165,835,500	-107,545,600	64.9
General operations receipts; extension non-credit programs	47,696,200	-26,974,900	56.6
Gifts and donations; WARF	75,000,000	-75,000,000	100.0
Gifts and donations	444,081,400	-370,000,000	83.3
Gifts; student loans	3,919,500	-3,400,000	86.7
Distinguished professorships	657,700	-203,900	31.0
Laboratories	4,406,200	-1,466,900	33.3
Schools of business	608,000	-349,500	57.5

13. DELETE TUITION REVENUE EXPENDITURE AUTHORITY RELATED TO UW-MADISON

	Funding	Positions
PR	- $828,370,600	- 142.50

Governor: Delete $407,767,700 in 2011-12 and $420,602,900 in 2012-13 in tuition revenue expenditure authority and 142.5 positions beginning in 2011-12 related to the proposed creation of the UW-Madison authority. Included in these amounts is the amount of tuition that would be generated by a 5.5% annual increase in UW-Madison resident undergraduate tuition. This amount would be added to the UW System's tuition revenue expenditure authority under another item and subtracted from that expenditure authority under this item. Under the bill, the UW-Madison authority would no longer be required to deposit tuition revenues in the state treasury and these revenues would not appear in the appropriation schedule.

14. TRANSFER UW-MADISON ATHLETICS

	Funding	Positions
PR	- $183,683,000	- 225.75

Governor: Delete $91,841,500 annually and 225.75 positions related to UW-Madison intercollegiate athletics. Delete appropriations for UW-Madison intercollegiate athletics auxiliary enterprises, non-income sports, and gifts and grants. Under the bill, the UW-Madison authority would no longer be required to deposit these revenues in the state treasury and they would not appear in the appropriation schedule. Eliminate specific references to the University Ridge Golf Course.

[Bill Sections: 235, 554, 581, 1000, and 1001]

15. TRANSFER PROGRAM REVENUE SUPPORTED DEBT SERVICE

PR	- $63,520,800

Governor: Transfer $31,760,400 annually to the proposed UW-Madison authority. Delete current law references in a debt service appropriation to debt service payment rates for UW-Madison intercollegiate athletics facility maintenance projects and to an appropriation for the UW Hospitals and Clinics Authority.

[Bill Section: 563]

16. TRANSFER DEBT SERVICE RELATED TO UW-MADISON POWER PLANTS

PR	- $11,799,200

Governor: Transfer $5,899,600 annually and the appropriations for moneys received from UW-Madison, as well as from the UW Hospitals and Clinics Authority and agencies of the federal government, for debt service payments related to the Walnut Street steam and chilled-water plant and the Charter Street heating and cooling plant, both of which are located on the UW-Madison campus. Delete additional statutory language referencing these power plants. These appropriations would be recreated under the proposed UW-Madison authority.

[Bill Sections: 544, 560, 566, and 800]

17. PHYSICIAN AND DENTIST AND HEALTH CARE PROVIDER LOAN ASSISTANCE PROGRAMS

PR	- $977,400
SEG	- 500,000
Total	- $1,477,400

Governor: Transfer $488,700 PR and $250,000 SEG annually to the proposed UW-Madison authority related to the physician and dentist and health care provider loan assistance and expanded loan assistance programs. Modify the programs such that only dentists and dental hygienists would be eligible to participate in the programs under the UW System. Under the bill, no funding would be provided for these programs.

[Bill Sections: 557, 568, 573, 1028, 1034, 1035, 1037, 1040 thru 1058, and 1064 thru 1085]

18. TRANSFER BREAST CANCER AND PROSTATE CANCER RESEARCH

PR	- $618,400

Governor: Transfer $309,200 annually from revenues generated by income tax check-offs for breast cancer and prostate cancer research to the proposed UW-Madison authority. Delete the related appropriations and modify current law to delete references to the appropriations and the UW System.

[Bill Sections: 550, 551, 1888, 1889, and 2891 thru 2894]

19. TRANSFER CENTER FOR URBAN LAND ECONOMICS RESEARCH

	Funding	Positions
PR	- $359,600	- 2.50

Governor: Transfer $179,800 annually and 2.5 positions beginning in 2011-12 to the proposed UW-Madison authority related to the center for urban land economics research. Delete the appropriation and related statutory language. Funding for the center for urban land economics research is generated by a $10 surcharge on real estate license renewals.

[Bill Sections: 552 and 989]

20. LICENSE PLATE SCHOLARSHIP PROGRAM

PR	- $351,000

Governor: Delete $175,500 annually from the appropriation for license plate scholarship programs and current law referencing UW-Madison. Under the bill, a license plate scholarship program would be created under the proposed UW-Madison authority.

[Bill Sections: 559, 1007 and 1008]

21. TRANSFER TRUST FUND INCOME

	Funding	Positions
SEG	- $42,320,000	- 100.00

Governor: Transfer $21,160,000 annually from the appropriation for trust fund income to the proposed UW-Madison authority and delete 100.0 positions beginning in 2011-12. Base funding for this appropriation is $26,063,200.

22. TRANSFER WISCONSIN BIOENERGY INITIATIVE FUNDING

SEG	- $7,120,000

Governor: Transfer $3,560,000 annually from the appropriation for the Wisconsin Bioenergy Initiative to the proposed UW-Madison authority. Under current law, $4,050,000 annually is provided to the UW System Board of Regents for this purpose of which $3,560,000 is allocated to UW-Madison, $440,000 is allocated to UW-Stevens Point, and $50,000 is allocated to UW-Green Bay. Under the bill, $490,000 would be provided to the UW System Board of

Regents in each year of the biennium for this purpose.

In addition, modify the appropriation language under the UW System to specify that funds would be transferred from the environmental fund instead of the recycling and renewable energy fund as under current law. Under another provision of the bill, the recycling and renewable energy fund would be renamed the environmental fund.

[Bill Section: 576]

23. TRANSFER RURAL PHYSICIAN RESIDENCY ASSISTANCE PROGRAM

SEG	- $1,500,000

Governor: Transfer $750,000 annually to the proposed UW-Madison authority related to the rural physician residency assistance program and delete the related appropriation and statutory language.

[Bill Sections: 572, 1063 and 1086]

24. TRANSFER ENVIRONMENTAL PROGRAM GRANTS

SEG	- $200,000

Governor: Transfer $100,000 annually from the appropriation for environmental program grants and scholarships to the proposed UW-Madison authority and delete language related to the need-based grant program. Under current law, this funding is used to make grants to students who are members of underrepresented groups and who are enrolled in a certificate or bachelor's degree program from the UW-Madison Nelson Institute for Environmental Studies. Funding for scholarships for students enrolled in the UW-Extension sustainable management degree program would remain under the UW System Board of Regents.

[Bill Section: 575 and 1013]

25. GRANTS FOR FORESTRY PROGRAMS

SEG	- $100,000

Governor: Transfer $50,000 annually from funds transferred from the conservation funds for grants for forestry programs to the proposed UW-Madison authority. Modify the current law appropriation to provide that it would be used solely to support the UW-Stevens Point paper science program instead of both UW-Stevens Point paper science program and grants to forest cooperatives as under current law. Under current law, the UW-Stevens Point paper science program receives $78,000 annually from this appropriation. Under the bill, this funding would be increased to $83,300. In addition, delete language requiring the UW System Board of Regents to maintain a center for cooperatives at UW-Madison. Under the bill, the UW-Madison Board of Trustees would be required to maintain a center for cooperatives.

[Bill Sections: 574, 876, 962, 1017 thru 1019, and 1752]

26. DELETE SOLID WASTE RESEARCH AND EXPERIMENTS POSITION

	Positions
SEG	- 0.50

Governor: Beginning in 2011-12, delete 0.5 position funded with segregated revenues transferred from the recycling and renewable energy fund (which would become the environmental fund under the bill) for research into alternative methods of solid waste management and for administering solid waste experiment centers.

27. DELETE FEDERAL REVENUES RELATED TO UW-MADISON

	Funding	Positions
FED	-$1,757,243,800	- 4,493.13

Governor: Delete $878,621,900 and 4,493.13 positions annually related to the creation of the proposed UW-Madison authority. The amounts that would be transferred are shown by appropriation and, where applicable, program, in the table below.

Appropriation Title	Adjusted Base	Transfer Amount	% Transferred
Federal aid; pharmacy loan program	700,000	-700,000	100.0%
Federal aid; medicine loan program	600,000	-600,000	100.0
Federal aid; Hatch Adams research	5,432,300	-5,432,300	100.0
Federal aid; Smith-Lever land grant extension	9,929,100	-946,000	9.5
Federal aid; special projects	633,940,000	-519,753,000	82.0
Federal aid; work study	11,137,200	-3,300,000	29.6
Federal aid; supplemental educational opportunity grants	10,705,700	-3,300,000	30.8
Federal aid; student loans	35,745,300	-16,000,000	44.8
Federal aid; Pell grants	134,519,300	-18,000,000	13.4
Federal aid; direct student loans	761,858,900	-190,000,000	24.9
Federal indirect cost reimbursement	132,714,000	-119,690,600	90.2
Federal aid; nursing loans	1,384,400	-600,000	43.3
Federal aid; graduate nursing loans	308,000	-300,000	97.4

28. MODIFY STATUTES TO REFLECT CREATION OF UW-MADISON AUTHORITY

Governor: Modify current law such that the UW Board of Regents would have the responsibility to plan for the future needs of the state for university education, and to ensure the diversity of quality undergraduate programs while preserving the strength of the state's graduate training research centers, only within the UW System. Delete the requirement that one UW System university be located at or near the seat of government, although the Regents would continue to be required to have their principal office at or near the seat of government. Delete specific references to UW-Madison and modify current law references to the University of Wisconsin to refer to the University of Wisconsin System.

[Bill Sections: 172, 561, 948, 949, 954, 994, 1000, 1002, 1006, 1027, and 1672 thru 1676]

29. DELETE SPECIAL PROGRAMS LOCATED AT UW-MADISON

Governor: Delete UW System special programs located by law at UW-Madison. These programs include: (a) water resources research; (b) the School of Veterinary Medicine; (c) the model school for children with disabilities; (d) the Great Lakes Indian law program; (e) the Robert M. La Follette Institute of Public Affairs; (f) agricultural technology and family farm programs; (g) the herbarium; (h) the distinguished chair of military history; and (i) the career conversations program. In addition, delete special program requirements related to the UW Law School, which is located at UW-Madison. These programs would be recreated under the UW-Madison authority.

Delete the following special programs of the UW System located by law at UW-Madison or the UW School of Medicine and Public Health at UW-Madison: (a) Dutch elm disease studies; (b) the pharmaceutical experiment station; and (c) the medical student transfer program. These programs would not be recreated under the UW-Madison Board of Trustees.

[Bill Sections: 967, 972, 974, 979, 981 thru 985, 988, 990, 992, and 993]

30. DELETE POWERS AND DUTIES RELATED TO UW-MADISON

Governor: Delete the following powers and duties of the UW System Board of Regents: (a) expend university fund income appropriated by the Legislature for the erection of buildings and the purchase of equipment or books on or at UW-Madison; (b) establish a Gaylord Nelson chair of integrated environmental students and seek private funding for the this chair; and (c) ensure that UW-Madison reports utility charges to fund debt service on the Walnut Street and Charter Street power plants and prohibit the Board of Regents from assessing utility charges until those charges are approved by the Department of Administration. Under the bill, these powers and duties would be recreated under the UW-Madison Board of Trustees except that the Board of Trustees would not be specifically permitted to seek private funding for the chair under (b).

[Bill Sections: 953, 961, and 963]

31. STATE CARTOGRAPHER, PSYCHIATRIC RESEARCH INSTITUTE, AND STATE GEOLOGIST

Governor: Delete the requirement that the UW System Board of Regents appoint the state cartographer, the director of the psychiatric institute, and the state geologist. Delete current law related to the state cartographer and the psychiatric research institute. Under the bill, the UW-Madison authority Board of Trustees would appoint the state cartographer, the director of the psychiatric research institute, and the state geologist and these provisions related to the state cartographer and the psychiatric research institute would be recreated under the UW-Madison authority. The geological and natural history survey, which is supervised by the state geologist, would remain under the UW System Board of Regents.

[Bill Sections: 951, 970, 976, and 977]

32. AGRICULTURAL DEMONSTRATION STATIONS AND EXPERIMENTS

Governor: Delete current law permitting the Board of Regents to: (a) establish demonstration stations for the purpose of aiding in agricultural development through the College of Agriculture and Life Sciences (CALS) at UW-Madison; (b) authorize experimental work in agriculture at points within the state and carry on demonstrations; and (c) to conduct extension schools and courses in agricultural education. Delete the current law requirement that the Board of Regents foster research and experimentation in the control of bovine brucellosis under the supervision of the CALS dean. These provisions would be recreated under the UW-Madison Board of Trustees. Specify that the Board of Regents may establish such agriculturally related research and instructional programs at any institution as it deems advisable so long as such programs are compatible with a single statewide integrated research and extension program as provided under current law.

[Bill Sections: 964 thru 966]

33. USE OF FACILITIES BY THE EDUCATIONAL COMMUNICATIONS BOARD

Governor: Delete current law requiring the Board of Regents to grant the Educational Communications Board part-time use of equipment and space necessary for the operations of the state educational radio and television networks. Delete a current law provision allowing the Board of Regents to rent space on the Madison public broadcast transmission tower. Under the bill, this equipment, space, and tower, which are located on the Madison campus, would be transferred to the UW-Madison authority. The bill would recreate these provisions under the UW-Madison authority.

[Bill Sections: 968 and 969]

34. STATE SOILS LABORATORY

Governor: Modify current law to require the Board of Regents to establish a state soils and plant analysis laboratory at UW-Extension in connection with the College of Agricultural and Life Sciences (CALS) at UW-Madison. Delete the current law provision allowing the Board of Regents to direct CALS to investigate methods of clearing cutover lands, to perform experiments and demonstrations related to such methods, and to provide related services to individual citizens at cost. Under the bill, this deleted provision would be recreated under the UW-Madison Board of Trustees.

[Bill Section: 973]

VETERANS AFFAIRS

	Budget Summary					FTE Position Summary				
Fund	2010-11 Adjusted Base	Governor 2011-12	Governor 2012-13	2011-13 Change Over Base Year Doubled Amount	%	2010-11	Governor 2011-12	Governor 2012-13	2012-13 Over 2010-11 Number	%
GPR	$2,244,500	$1,573,300	$2,516,200	- $399,500	- 8.9%	0.00	0.00	0.00	0.00	0.0%
FED	2,178,200	2,194,900	2,293,400	131,900	3.0	10.50	8.00	8.00	- 2.50	- 23.8
PR	89,766,800	89,958,200	96,038,800	6,463,400	3.6	981.85	966.60	966.60	- 15.25	- 1.6
SEG	48,536,100	38,977,600	38,967,700	- 19,126,900	- 19.7	120.75	118.00	118.00	- 2.75	- 2.3
TOTAL	$142,725,600	$132,704,000	$139,816,100	- $12,931,100	- 4.5%	1,113.10	1,092.60	1,092.60	- 20.50	- 1.8%

Budget Change Items

General Agency Provisions

1. STANDARD BUDGET ADJUSTMENTS

FED	$137,400
PR	7,554,400
SEG	1,519,400
Total	$9,211,200

Governor: Provide standard budget adjustments to the base totaling $68,700 FED, $3,777,200 PR, and $759,700 SEG annually for the following: (a) turnover reduction (-$425,900 PR and -$82,400 SEG annually); (b) removal of non-continuing elements from the base (-$400,000 PR and -$52,800 SEG annually); (c) full funding of continuing salaries and fringe benefits ($68,200 FED, -$171,700 PR, and $847,000 SEG annually); (d) overtime ($2,492,200 PR annually); (e) night and weekend differential ($2,280,200 PR annually); (f) full funding of lease costs and directed moves ($500 FED, $2,400 PR, and $47,900 SEG annually); and (g) transfers within the same appropriation. The transfers would include $1,229,000 PR for costs related to skilled nursing, -$987,400 PR for domicile operations, and -$241,600 PR for food services operations to the Veterans Home of Union Grove.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $200
FED	- 45,800
PR	- 7,312,600
SEG	- 983,800
Total	- $8,342,400

Governor: Delete $4,171,200 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $100 GPR, $22,900 FED, $3,656,300 PR, and

$491,900 SEG. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. AGENCY BUDGET REDUCTIONS

GPR	- $145,000
PR	- 3,095,200
Total	- $3,240,200

Governor: Reduce funding by $72,500 GPR and $1,547,600 PR annually associated with a 10% reduction to supplies and other non-personnel costs. The reductions would include $1,493,800 PR annually from the Veterans Homes Operations.

4. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
FED	- $47,800	- 0.50
PR	- 1,754,800	- 14.25
SEG	- 502,800	- 3.75
Total	- $2,305,400	- 18.50

Governor: Delete $1,152,700 (all funds) and 18.5 (all funds) positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $23,900 FED and 0.5 FED position, $877,400 PR and 14.25 PR positions, and $251,400 SEG and 3.75 SEG position annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

5. TRANSFER STATE APPROVING AGENCY FUNCTIONS

	Funding	Positions
FED	- $672,000	- 3.00
SEG	- 148,800	- 1.00
Total	- $820,800	- 4.00

Governor: Delete $336,000 FED and 3.0 FED positions and $74,400 SEG and 1.0 SEG position annually related to the transfer of state academic institution and education program approving agency functions for veterans benefits from DVA to the Department of Safety and Professional Services (DSPS). Funding would include -$192,200 FED and -$78,600 SEG for salary and fringe benefits, -$78,600 FED and -$25,800 SEG for fringe benefits, and -$65,200 FED for supplies and services annually. The segregated position and related salaries and fringe benefits would not be transferred to DSPS.

Currently, DVA operates as the state approval agency through a contract with the federal Department of Veterans Affairs. The state approval agency is responsible for meeting federal requirements for evaluating, approving, and monitoring of academic institutions and programs that are potentially eligible to receive funding from the Montgomery GI Bill. The Governor may designate the following programs as "veteran's education" under the state approval agency functions: (a) on-the job training and apprenticeship training programs at the Department of Workforce Development; (b) on-the-farm training programs at the Wisconsin Technical College System; and (c) funeral directors apprentices of the Funeral Directors Examining Board. These duties would be transferred.

As a technical modification, correct a current reference to the definition of tribal school (current statutes misnumber the referenced section).

Nonstatutory Provisions. Specify that the assets, liabilities and tangible property of the DVA primarily related to the state approval agency, as determined by the DOA Secretary, would become assets, liabilities and tangible property of DSPS on the effective date of the bill.

Specify that all pending matters of DVA primarily related to the state approval agency, as determined by the DOA Secretary, would become pending matters of DSPS on the effective date of the bill. Materials submitted to, or actions taken by, DVA related to these programs would be considered to have been submitted to, or taken by DSPS.

All contracts entered into by the DVA primarily related to the state approval agency, on the effective date of the bill, would become contracts of DSPS, as determined by the DOA Secretary. The DSPS would be responsible for carrying out the obligations of these contacts unless modified or rescinded by DSPS, to the extent allowed under the contract.

Under the bill, the administrative rules promulgated by the DVA primarily related to the state approval agency, as determined by the DOA Secretary, would remain in effect until the expiration date of the rule or until amended or repealed by DSPS. All orders issued by the DVA primarily related to the state approval agency, as determined by the DOA Secretary, would remain in effect until the end of their effective date or until modified or rescinded by DSPS.

Specify that the DOA Secretary would identify positions to transfer. The transferred individuals would retain their earned rights and status under the state employment relations laws. Any person transferred would not go through a probationary period, if they have already obtained permanent status.

[Bill Sections: 1237 thru 1239, 1244 thru 1248, and 9153(1)]

6. REPAYMENT TO VETERANS TRUST FUND

GPR	$416,800

Governor: Provide $416,800 in 2011-12 for repayment to the veterans trust fund for transfers made from the trust fund to the general fund during the 2009-11 biennium.

Under current law, moneys transferred from the veterans trust fund or used for purposes other than specific DVA-related appropriations, must be repaid by the general fund with an interest rate of 5% per year. In 2009-10 $203,300 was lapsed from the trust fund to the general fund. In 2010-11, it is anticipated that an additional $203,300 would be lapsed at the end of the fiscal year.

7. ASSISTANCE TO NEEDY VETERANS

SEG	- $543,600

Governor: Reduce the amounts available for assistance to needy veterans by $271,800 annually.

Currently, the assistance to needy veterans program consists of two distinct services: (a) assistance for health care costs; and (b) subsistence aids. Under the bill, the amounts available for health care costs would be reduced from $1,069,800 to $870,000 annually. The amounts available for subsistence aid grants would be reduced from $172,000 to $100,000 annually.

Under current law, the health care component can only be used to cover costs related to dental care, hearing aids, and eyeglass costs. The veteran's household may not have liquid assets in excess of $1,000 without losing eligibility for this program. The subsistence aid portion of the program provides temporary emergency aid to veterans in the event of an illness, injury, or natural disaster that causes a loss of income. The Department may grant subsistence aid to veterans whose loss of income is the result of abuse of alcohol or other drugs if the veteran is participating in an alcohol and other drug abuse treatment program approved by DVA.

8. VETERANS ASSISTANCE PROGRAM

SEG	- $592,600

Governor: Delete $296,300 annually for the veterans assistance program.

The program provides assistance to homeless, incarcerated, and other groups of needy veterans, as designated by DVA. The current DVA rules additionally specify that VAP eligibility extends to veterans with the following status: (a) unemployment or underemployment that limits the veteran's ability to be self-supporting; (b) an affliction with acute or chronic physical or mental health problems that limits the veteran's ability to be self-supporting; and (c) insufficient monthly income and resources to pay for the cost of care provided at an assisted living facility operated at a Veterans Home.

The Department uses regional centers to provide transitional housing to veterans and to assist needy veterans in receiving medical and dental care, educational support and employment services. Services provided include: (a) providing transitional housing; (b) referrals to service providers; (c) financial assistance to veterans who are eligible for residency at a veterans home but lack financial resources; (d) assistance in seeking vocational opportunities; and, as of 2009 Act 28; and (e) providing single occupancy rooms.

All veterans who have served in the U.S. armed forces with other than a dishonorable discharge are eligible to participate in the VAP. There is no state residency requirement for this program.

9. VETERANS ASSISTANCE PROGRAM RECEIPTS

SEG	$56,500

Governor: Provide $26,500 in 2011-12 and $30,000 in 2012-13 to reestimate the amount of segregated revenue to be received from private payments at veterans assistance program facilities related to increased receipts for single occupancy rooms.

Under current law, DVA must operate a program to provide assistance to veterans who need services based on homelessness, incarceration, or other services designated by DVA, by rule. The Department may provide assistance in medical care, dental care, education, employment, and transitional housing. The Department may also charge fees to homeless veterans who use services at veterans assistance centers (federal code specifies that gainfully employed veterans may be charged of up to 30% of their income). The Department may provide and charge for single occupancy rooms as a service of the veterans assistance program.

10. PERSONAL LOAN PROGRAM

SEG	- $4,200,000

Governor: Decrease funding by $2,000,000 annually for amounts available to loan under the agency's Personal Loan Program (PLP). Reduce the amounts available for administration of the program by $100,000 annually. Base level funding for the PLP includes $5,000,000 for potential personal loans to veterans and $150,000 for administration of the program. Under the bill, the amounts available for loans would be reduced to $3,000,000 annually and the amounts for administration would be reduced to $50,000 annually.

11. CREATE SEPARATE PROGRAM FOR MUSEUM OPERATIONS

Governor: Create a separate Chapter 20 statutory program for Veterans Museum operations. Under the current statutes, funding for operations of the Wisconsin Veterans Museum is placed in the Loans and Aids to Veterans program within Chapter 20 of the statutes. Under the bill, the new program would be entitled "Wisconsin Veterans Museum." The new program would include renumbered appropriations (as modified by other recommendations under the bill) to include: (a) two appropriations for the Operation of the Wisconsin Veterans Museum ($249,200 GPR annually and $2,067,800 SEG in 2011-12 and $2,117,400 SEG in 2012-13 and 13.45 SEG positions annually); (b) museum sales ($205,700 SEG in 2011-12 and $170,700 SEG in 2012-13); (c) museum facilities ($52,800 SEG annually); and (d) veterans of World War I museum funding ($2,500 SEG annually).

In addition, two appropriations that have no specific amounts appropriated would be transferred under the new program. Create a FED-continuing appropriation for federally funded museum acquisitions and operations. Create a SEG-continuing appropriation for the receipt and expenditure of gifts and bequests for the Wisconsin Veterans Museum.

Delete a statutory reference to an unfunded museum operations appropriation that formerly received funds from Indian gaming revenues. [The tribal gaming funded appropriation had not received funding since 2002-03.] The current SEG-continuing appropriation for acquiring, developing, enlarging and improving facilities would be modified to specify that funding would be provided from this appropriation for non-museum costs. Create an additional appropriation under the museum program for acquiring, developing, enlarging and improving Wisconsin Veterans Museum facilities.

[Bill Sections: 702 thru 711, 746, and 877]

12. MUSEUM STORAGE FACILITY

	Funding	Positions
SEG	$521,600	2.00

Governor: Provide $248,500 and 2.0 project positions in

2011-12 and $273,100 and 2.0 project positions in 2012-13 for agency costs related to moving materials into the Joint Preservation Storage Facility (JPS) in Madison. Funding would include: (a) $176,500 and 2.0 project positions in 2011-12 and $201,100 and 2.0 project positions in 2012-13 to prepare manuscripts, collections, and archived material for movement to the JPS; and (b) $72,000 annually for preparation of the storage facility.

The JPS is a storage facility designed to maintain and preserve the collections of the Department and the State Historical Society. The Department anticipates that the facility will become operational in October, 2013.

13. LIMITED-TERM EMPLOYEES FOR VETERANS MUSEUM

SEG	$120,600

Governor: Provide $60,300 annually for limited-term employees at the Wisconsin Veterans Museum. The limited term employees would be hired as a library services assistant and an operational program associate at the museum.

14. MUSEUM EXHIBITS

SEG	$150,000

Governor: Provide one-time funding of $62,500 in 2011-12 and $87,500 in 2012-13 for temporary exhibits and redevelopment of existing displays. Funding would be provided for: (a) two temporary exhibits on Wisconsin's role in the Civil War as part of the 150th Anniversary of the beginning of the War ($37,500 annually); and (b) redevelopment of the permanent gallery space at the Wisconsin Veterans Museum in Madison and moving the Wisconsin National Guard exhibit that is currently at the Veterans Museum to the Wisconsin National Guard Museum at Volk Field ($25,000 in 2011-12 and $50,000 in 2012-13).

15. VETERANS MUSEUM STORE RECEIPTS

SEG	$109,800

Governor: Provide $72,400 in 2011-12 and $37,400 in 2012-13 for the following improvements to the Wisconsin Veterans Museum store: (a) $35,000 in 2011-12 as one-time financing including $15,000 for multimedia guides describing the museum displays and $20,000 for point of sale equipment (computers, lighting, and cabinetry); and (b) $37,400 annually for merchandise purchases to be resold at the Wisconsin Veterans Museum. Base level funding for the SEG-continuing store receipts appropriation is $133,400 annually. Revenues are generated from the sales of items at the store inside the Wisconsin Veterans Museum.

16. VETERANS MUSEUM MASTER LEASE

SEG	$105,600

Governor: Provide $52,800 annually as part of a five-year master lease of repairs at the Wisconsin Veterans Museum in Madison. The master lease would cover $224,800 of one-time costs, including: (a) $136,800 for eight new smoke detection systems (two new units and six replacement units); (b) $68,000 for water detections systems in archival storage areas; and (c) $20,000 for replacement of carpeting that was been damaged by water. The first year and one-half of funding was provided in the 2009-11 biennium on a one-time basis. This provision would provide two additional years of one-time funding.

17. VETERANS CEMETERY FUNDING

	Funding	Positions
FED	$366,400	1.00
PR	- 71,000	- 1.00
SEG	- 295,400	0.00
Total	$0	0.00

Governor: Provide $195,300 FED and 1.0 FED position, -$35,500 PR and -1.0 PR position, and -$159,800 SEG in 2011-12 and $171,100 FED and 1.0 FED position, -$35,500 PR and -1.0 PR position, and -$135,600 SEG in 2012-13 to reduce veterans burial funding from program and segregated revenues and increase the amounts provided from federal burial allowances.

Under current law, revenues for cemetery operations include: (a) $164,800 FED and 4.0 FED positions annually funded from federal burial allowances; (b) $231,800 PR and 8.0 PR positions annually funded from fees charged for the burial of veterans' spouses and dependant children; and (c) $652,600 SEG and 6.0 SEG positions annually funded from the veterans trust fund.

18. CEMETERY FUNDING INCREASE

FED	$327,100

Governor: Provide $104,900 in 2011-12 and $222,200 in 2012-13 for veteran burial services at the Southern Wisconsin Veterans Memorial Cemetery. Funding would come from federal burial allowances. Base level funding for the cemetery operations from federal aid appropriation is $164,800 and 4.0 positions annually.

19. CEMETERY MAINTENANCE

FED	$66,600

Governor: Provide one-time funding of $30,600 in 2011-12 and $36,000 in 2012-13 for infrastructure, repairs and maintenance to the administration building and grounds of the Wisconsin Veterans Memorial Cemetery at Union Grove. Funding would be provided for the following projects in 2011-12: (a) landscape replacement ($9,500); (b) tree trimming ($6,000); (c) repainting of carillon tower ($8,700); (d) asphalt sealing ($5,500); and (e) parking lot striping ($900). Funding would be provided for the following projects in 2012-13: (a) shelving for shop ($6,000); (b) refurbishing brickwork on front entrance of administration building ($10,000); and (c) remodeling of work room station ($20,000).

20. PAYMENTS TO VETERANS ORGANIZATIONS

SEG	- $135,000

Governor: Delete $67,500 annually for payments from DVA to veterans' organizations that provide benefit claims services to veterans. Base funding for the payments to veterans organizations appropriation is $177,500.

Under current law, this program provides grants to any state or national veterans' organization that has maintained a claims service office at the USDVA regional office in

Milwaukee for the purpose of assisting Wisconsin veterans with obtaining federal veteran's benefits. To qualify for the state grant, the veterans' organization must have maintained the office for at least five out of the 10 years preceding the date of application for the grant. Grant amounts are based in the total amount of salaries and travel expenses incurred by a qualifying service organization as follows: (a) for organizations with costs ranging from $1 to $2,499, DVA reimburses the entire amount; (b) for organizations with costs ranging from $2,500 to $9,999, DVA reimburses $2,500; (c) for organizations with costs ranging from $10,000 to $119,999, DVA reimburses 25% of the costs; and (d) for organizations with costs of at least $120,000, DVA reimburses $30,000.

21. PUBLIC INFORMATION FUNDING

SEG	$100,000

Governor: Provide $60,000 in 2011-12 and $40,000 in 2012-13 to develop and distribute a public information campaign to provide the public with information about DVA's activities and programs. According to the Department, the campaign would include print, radio, internet, social media and public relations components.

22. DOCUMENT IMAGING

SEG	$61,000

Governor: Provide $40,000 in 2011-12 and $21,000 in 2012-13 for increased document imaging costs for the following: (a) $20,000 in 2011-12 and $21,000 in 2012-13 for costs to maintain contracts for software licenses and maintenance of equipment; and (b) one-time funding of $20,000 in 2011-12 for a consultant to upgrade the content management software. Funding would be split between the veterans trust fund ($30,400 in 2011-12 and $16,000 in 2012-13) and the mortgage loan repayment fund ($9,600 in 2011-12 and $5,000 in 2012-13).

23. TELEMEDICINE COUNSELING SERVICES

GPR	$15,000

Governor: Provide $7,900 in 2011-12 and $7,100 in 2012-13 for post-traumatic stress disorder and other counseling assistance in connection with assistance provided at the veterans assistance centers. The Department indicates that this funding would extend the service agreements with nine facilities that allow veterans to receive counseling services via video conferencing.

Veterans Homes

1. VETERANS HOME AT CHIPPEWA FALLS

PR	$6,995,300

Governor: Provide $414,900 in 2011-12 and $6,580,400 in 2012-13 to fund staffing, overtime, night and weekend differentials, energy, supplies, and start-up costs for the new 72-bed nursing facility at the Veterans Home at Chippewa Falls, which is scheduled to open in November, 2012.

Staffing. Provide $284,200 in 2011-12 and $4,880,900 in 2012-13 to fund the equivalent of 35.0 positions in 2011-12 and 91.5 positions in 2012-13 to operate the Veterans Home at Chippewa Falls. DVA would use this funding to contract for the operation of this facility.

Supplies and Start-up Costs. Provide $114,900 in 2011-12 and $1,310,500 in 2012-13 to fund supplies and one-time start-up costs. DVA estimates that start-up costs for supplies and services, such as textiles, small wares, flatware, and dishes, will equal one-twelfth of the projected annual cost of these items.

Overtime, Night, and Weekend Differential Personnel Costs. Provide $188,300 in 2012-13 to fund the overtime costs for contracted staff overtime ($45,700 in 2012-13) and higher wages paid to staff working night and weekend shifts ($142,600 in 2012-13).

Energy Costs. Provide $15,800 in 2011-12 and $200,700 in 2012-13 to fund projected energy costs for the new Veterans Home at Chippewa Falls.

Statutory Changes. Create a gifts and bequests appropriation for the Veterans Home at Chippewa Falls, which would enable DVA to expend all moneys it receives from gifts and bequests for the purposes for which the money was given.

Authorize DVA to enter into an agreement with a private entity to operate the Veterans Home at Chippewa Falls and perform such management and care using personnel employed by the private entity. Exempt this agreement from a provision requiring state departments to contract for services which can be performed more economically or efficiently through the contract and that requires state departments to prescribe, in rule, uniform procedures for determining whether services are appropriate for contracting. Under current law, DVA may employ state personnel to manage and operate the Veterans Home at Chippewa Falls.

Authorize the Legislative Audit Bureau to perform, in addition to any other Veterans Home audits required by statute, one or more financial audits of the operation of the Veterans Home at Chippewa Falls by any private entity with which DVA enters into an agreement for management and operation of the home. Specify that the audits would be performed at such time as directed by the Governor or Legislature.

[Bill Sections: 64, 234, 699 thru 701, 1249 thru 1269, and 2665]

2. LICENSED BED ASSESSMENT

PR	$3,725,000

Governor: Provide $1,862,500 annually to fund monthly nursing home bed assessments that DVA will be required to pay, beginning in July, 2011, under current law.

2009 Act 28 exempted DVA from paying the assessment in the 2009-11 biennium and reduced DVA's budget by $1,513,900 in 2009-10 and by $1,715,700 in 2010-11 to reflect that DVA would not need to make these payments to the Department of Health Services (DHS) in the

2009-11 biennium. In addition, Act 28 increased GPR funding for MA benefits by corresponding amounts to replace the assessment revenue DHS did not collect from DVA in the current biennium.

All assessment revenue paid by nursing homes, including the nursing homes operated by DVA, is deposited to the medical assistance (MA) trust fund to support MA benefits costs. DVA is required to establish private pay rates at its nursing homes that are based on the actual cost of care the homes provide. These costs include DVA's cost of paying the assessment. DVA estimates that it would need to increase private pay rates at the homes by approximately $2,200 annually to recover the costs of paying the assessment. However, if the DVA nursing homes were to remain exempt from paying the assessment, revenue to the MA trust fund would decrease by an estimated $3,725,000 in the 2011-13 biennium, which would result in a need to replace these segregated revenues with a corresponding amount of GPR.

3. RESTORE TURNOVER REDUCTION

PR	$851,800

Governor: Provide $425,900 annually to restore funding that would be deleted as a standard budget adjustment for turnover at the nursing home at King ($335,700 annually), the nursing home at Union Grove ($65,200 annually), and the assisted living facilities at Union Grove ($25,000 annually).

Under the DOA 2011-13 budget instructions, agencies are required to reduce, by 3%, adjusted base funding for permanent salaries for all appropriations that fund more than 50 permanent positions to reflect projected savings resulting from temporary staff vacancies. The DVA standard budget adjustment reduces these three appropriations by 1%, rather than 3% in each year. DVA indicates that the agency does not save money when direct care positions are on leave, in training, or become vacant, since the hours that would have been worked by these employees are worked by other staff who work overtime, by limited term employees, or by contracted workers. This item would restore the 1% reduction that would be deleted under the standard budget adjustment, so that no turnover reduction would be applied to DVA's health care facilities.

4. RESTORE ONE-TIME FINANCING FOR KING MASTER LEASE PAYMENTS

PR	$599,100

Governor: Provide $371,100 in 2011-12 and $228,000 in 2012-13 to maintain one-time funding DVA currently uses to support master lease payments for new furniture DVA purchased for the Veterans Home at King in the 2009-11 biennium.

2009 Wisconsin Act 28 provided one-time funding of $200,000 in 2009-10 and $400,000 in 2010-11 to fund the purchase of new furniture for the Veterans Home at King under a master lease agreement. Because funding for this purpose was budgeted in Act 28 as one-time funding, base funding for these payments ($400,000 annually) would be deleted under standard budget adjustments ("removal of one-time funding"). This item would provide funding for DVA to continue to make these master lease payments in the 2011-13 biennium.

5. DOCUMENT IMAGING SYSTEM - KING

PR	$97,400

Governor: Provide $63,700 in 2011-12 and $33,700 in 2012-13 to implement a document imaging system for the finance department at the Veterans Home at King. Of the funding that would be provided, $60,300 in 2011-12 and $26,000 in 2012-13 would be provided as one-time funding. The imaging system would be used to scan and store electronic versions of veterans' bank statements, stock valuations, life insurance valuations, power of attorney and guardianship documents, explanations of benefits, and income documentation from the Social Security Administration, the U.S. Department of Veterans Affairs, and private pension funds. The imaging system is intended to decrease time associated with filing and retrieving paper documents and reduce physical storage space needed to store them.

6. ESTABLISH GIFTS AND BEQUEST BUDGET FOR UNION GROVE VETERANS HOME

PR	$50,000

Governor: Establish a gifts and bequests budget for the State Veterans Home at Union Grove, and estimate that $25,000 would be expended annually from these sources to provide services at the facility. Currently, DVA is authorized to expend all moneys it receives from gifts and bequests for the operation of the veterans homes. Although funding from this source has been budgeted to support activities at the Veterans Home at King ($214,700 annually), no budget has been established for these funds for the Veterans Home at Union Grove.

7. MAINTENANCE FOR WISCONSIN VETERANS MEMORIAL CEMETERY

PR	$66,500

Governor: Provide $28,500 in 2011-12 and $38,000 in 2012-13 to fund contracted maintenance services at the Central Wisconsin Veterans Memorial Cemetery (CWVMC) at King. Currently, building and grounds staff at the Veterans Home at King are responsible for mowing, trimming, pruning, plowing, and landscaping 14 acres of burial fields at CWVMC. DVA uses funding from the estate of decedents or funding for Veterans Home institutional operations to pay for grounds keeping at the cemetery. This item would provide funding for DVA to contract for these services.

8. TRANSFERS TO THE VETERANS TRUST FUND

Governor: Authorize DVA to transfer all or part of the unencumbered balance in any of the following Veterans Home program revenue appropriations to the veterans trust fund on June 30 of each fiscal year: (a) the home exchange and work therapy program; (b) Veterans Home cemetery operations; (c) institutional operations; (d) gifts and bequests; (e) gifts and grants intended for geriatric evaluations, research, and education programs; (f) rental fees from state-owned housing at the Veterans Homes; and (g) revenue from geriatric programs.

In addition, delete an obsolete provision that authorized DVA to transfer up to $7.0 million in surplus PR balances from the Veterans Homes to the veterans trust fund in the 2007-

09 biennium with the approval of the Joint Committee on Finance under a 14-day passive review process.

[Bill Sections: 698, 1242, and 1243]

9. TRANSFER GERIATRIC PROGRAM BUDGET AND POSITION AUTHORITY

Governor: Transfer $199,900 annually and 2.0 positions, beginning in 2011-12, from a program revenue (PR) appropriation that was created to fund DVA's geriatric evaluation, research and education program, to DVA's PR appropriation that supports its general institutional operations.

Prior to 2007, the former medical director at the Veterans Home at King conducted a geriatric research program with four 0.5 nurse positions. The program was funded with revenue from program receipts in an appropriation created for this purpose, separate from the agency's general institutional operations appropriations for the DVA facilities. After research ended in 2007, when the former medical director retired, the four 0.5 nurse positions were reassigned to provide nursing care for units at King, but have been funded under the geriatric program receipts appropriation.

This item would transfer funding for these positions to the institutional operations appropriation for the Veterans Home at King to reflect the work they are currently performing. The bill would retain the geriatric program's appropriation, but no funding would be budgeted for the program.

10. DEBT SERVICE REESTIMATE

GPR	$656,300
PR	- 1,242,500
SEG	- 14,469,400
Total	- $15,055,600

Governor: Reduce funding by $7,513,900 ($374,800 GPR, -$660,600 PR, and -$7,228,100 SEG) in 2011-12 and by $7,541,700 ($281,500 GPR, -$581,900 PR, and -$7,241,300 SEG) in 2012-13 to reflect the current law reestimate of debt service payments for the Veterans Homes.

11. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- $1,342,400

Governor: Reduce funding by $1,398,100 in 2011-12 and increase funding by $55,700 in 2012-13 to reflect the changes in estimated GPR debt service costs associated with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12. (See "Building Commission" for additional information regarding this provision.) The increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the restructured 2011-12 principal amounts.

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary						FTE Positiou Summary
	2010-11	Governor		2011-13 Change Over Base Year Doubled		
Fund	Adjusted Base	2011-12	2012-13	Amount	%	
GPR	$0	$18,743,700	$16,399,600	$35,143,300	N.A.	As an Authority, there are no state positions for the Wisconsin Economic Development Corporation.
FED	0	36,390,600	36,390,600	72,781,200	N.A.	
PR	0	4,861,200	4,861,200	9,722,400	N.A.	
SEG	0	38,850,000	39,850,000	78,700,000	N.A.	
TOTAL	$0	$98,845,500	$97,501,400	$196,346,900	N.A.	

Budget Change Items

1. ESTABLISH FUNDING LEVEL

GPR	$35,143,300
FED	72,781,200
PR	9,722,400
SEG	78,700,000
Total	$196,346,900

Governor: Provide $18,743,700 GPR in 2011-12, $16,399,600 GPR in 2012-13, and $36,390,600 FED and $4,861,200 PR annually to establish a funding level for the Wisconsin Economic Development Corporation (WEDC). The bill would also create a segregated appropriation for economic development programs with $38,850,000 SEG in 2011-12, and $39,850,000 SEG in 2012-13. The funding would be provided from the newly created economic development fund, which is currently the recycling and renewable energy fund, that would be renamed under the bill. (See "Natural Resources -- Air, Waste, and Contaminated Land" for more information).

[Bill Section: 501]

2. ADDITIONAL STATUTORY PROVISIONS

Governor: Make the following additions to statutory provisions governing the WEDC:

a. Specify that all records of the Corporation would be open to the public, under the state open records law, except those records relating to pending grants, loans, or economic development projects that, in the opinion of the Corporation, must remain confidential to protect the competitive nature of the grant, loan, or project.

b. Create a regional economic development organization grant program that would be administered by WEDC. Under the program, the Corporation would be required to award annual grants to regional economic development organizations to fund marketing activities. The maximum grant that could be awarded would be the lesser of the amount of matching funds the organization obtained from sources other than WEDC or the state, or $100,000.

c. Require WEDC to implement a program to certify qualified Wisconsin businesses for capital gains deferral provisions included in the bill. Under the bill, claimants could exclude long-term capital gains from investments in qualified Wisconsin businesses, if certain other conditions were met. The Corporation would be authorized to certify Wisconsin businesses if it determined certain criteria were met. The Corporation would also be required to notify the Department of Revenue (DOR) of business certifications, expirations, and revocations, and to compile a list of certified businesses, which would be available on WEDC's web site. WEDC would be authorized, in consultation with DOR, to adopt rules to administer the certification process. (See "General Fund Taxes -- Income and Franchise Taxes.")

d. Provide that employees of the Corporation would be eligible to participate in WRS accumulated sick leave conversion programs.

e. Create two statutory subchapters under the WEDC statutes.

The WEDC was created as an authority under 2011 Wisconsin Act 7. It is a public body corporate and politic and has a 13-member board of directors. The Board includes the Governor, who serves as chair, and six members nominated by the Governor, and appointed with the advice and consent of the Senate. The Board also includes three members appointed by the Speaker of the Assembly and three members appointed by the majority leader of the Senate, each consisting of one majority member, one minority member, and one person employed in the private sector.

The Board is required to develop and implement economic programs to provide business support, expertise, and financial assistance to companies that are investing and creating jobs in Wisconsin, and to support new business start-ups, and business expansion and growth in the state. The Board has the authority to develop and implement any other programs related to economic development in Wisconsin, and all the powers necessary and convenient to carry out its responsibilities. In addition, the Board is specifically authorized to: (a) adopt, amend, and repeal any bylaws, policies, and procedures for regulating its affairs and conducting its business; (b) have a seal and alter it; (c) maintain an office; (d) sue and be sued; (e) accept gifts, grants, loans, or other contributions from private and public sources; (f) establish the corporation's annual budget, and monitor the fiscal management of the corporation; (g) execute contracts and other instruments required for the operation of WEDC; (h) employ any officers, agents, and employees that it may require, and determine their qualifications, duties, and compensation; (i) issue notes, bonds, and any other obligations; (j) make loans and provide grants; and (k) incur debt.

The Governor is required nominate a chief executive officer (CEO) for WEDC to be appointed with the advice and consent of the Senate, and serve at the pleasure of the Governor. The Board is authorized delegate to the CEO any powers and duties that the Board considers proper, and to determine his or her compensation.

Act 7 created a statutory appropriations schedule (section 20.192) to fund WEDC activities, including a GPR, PR, and FED continuing appropriation. The specific appropriations include: (a) a continuing GPR operations and programs appropriation for the operations of WEDC and for funding economic development programs developed and implemented by the Board [20.192 (1) (a)]; (b) a continuing PR appropriation for transferred general fund moneys from the Department of Commerce for the operations of WEDC and for funding economic development programs developed and implemented by the Board [20.192 (1) (k)]; and (c) a continuing federal aid (FED) programs appropriation for federal moneys allocated to fund programs administered by WEDC [20.192 (1) (m)]. No funding was directly appropriated for WEDC under Act 7.

[Bill Sections: 1146, 1147, 1153, 1161, 2859 thru 2863, and 2865]

3. TRANSFER OF CERTAIN ECONOMIC AND COMMUNITY DEVELOPMENT FUNCTIONS FROM COMMERCE

Governor: Transfer certain economic development functions and programs from the Department of Commerce to the Wisconsin Economic Development Corporation (WEDC). Included in the transfer would be responsibility for administering the following tax credits: (a) early stage business investment credits; (b) electronic medical records credit; (c) jobs credit; (d) food processing plant and food warehouse investment credit; (e) meat processing facility investment credit; (f) woody biomass harvesting and processing credit; (g) economic development credit; and (h) enterprise zone credits. Also, transferred would be responsibility for administering a brownfields grant program, allocation of the federal volume cap on industrial revenue bonds, and administering the Kenosha and Janesville development opportunity zones. Statutory responsibility for discontinued economic activity zones programs including development, enterprise development, technology, and airport development zones and the agricultural development zone would be transferred. WEDC would assume general economic and industrial development functions, create programs and distribute economic development grants and loans, and would replace Commerce as a member on certain boards and councils. (See "Commerce" for more information.)

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Budget Change Items

1. FINANCING FOR OUT-OF-STATE PROJECTS

Governor: Provide that projects eligible for financing by the Wisconsin Health and Educational Facilities Authority (WHEFA) would include any project located within or outside of this state. Modify the definition of "project" so that in issuing bonds, a "project" could include more than one project, as well as any combination of projects undertaken jointly with other institutions as under current law. Specify that the proceeds of a WHEFA bond issue could be used for a project in Wisconsin or any other state, except that if the bond proceeds would be used for a project in another state, that project would have to include a substantial component located in Wisconsin, as determined by the Executive Director of WHEFA.

Provide that a participating educational institution would include an entity authorized by state law to provide or operate an educational facility, or an affiliate of that entity, rather than a corporation, agency or association as under current law. Similarly, provide that a participating health institution would include an entity authorized by state law to provide or operate a health facility, or an affiliate of the entity, rather than a corporation, agency, or association as under current law. Specify that a participating research institution would be an entity organized under the laws of this state, or an affiliate of that entity. Specify that a participating child care provider would include an affiliate of a child care provider. Define entity as meaning any person other than a natural person. Define affiliate as an entity that controls, is controlled by, or is under common control with another entity.

[Bill Sections: 2768 thru 2781]

2. EXCLUSION FOR INTEREST ON CERTAIN WHEFA BONDS OR NOTES

Governor: Provide an exclusion from income under the individual income tax, the corporate income and franchise tax, and the income tax on insurance companies for interest income received on bonds or notes issued by the Wisconsin Health and Educational Facilities Authority (WHEFA) provided the bonds or notes are issued to a person who is eligible to receive bonds or notes from another issuer for the same purpose as the bonds or notes issued for the person by WHEFA and the interest income from those other bonds or notes would also be exempt. Extend the exclusion to tax years beginning on January 1, 2011. WHEFA provides capital financing assistance to Wisconsin health care institutions, independent colleges and universities, and certain continuing care facilities. There is a current law exclusion for interest on WHEFA-issued bonds or notes that are used by health facilities to acquire information technology hardware or software. The administration estimates that the fiscal effect of this provision would be a minimal loss of state tax revenues.

[Bill Sections: 1755, 1896, 2015, and 9341(3)]

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Budget Summary						FTE Position Summary
	2010-11	Governor		2011-13 Change Over Base Year Doubled		
Fund	Adjusted Base	2011-12	2012-13	Amount	%	
GPR	$0	$5,063,000	$5,063,000	$10,126,000	N.A.	There are no authorized state positions for the Wisconsin Housing and Economic Development Authority.
FED	0	34,632,400	34,632,400	69,264,800	N.A.	
PR	0	1,013,700	1,013,700	2,027,400	N.A.	
TOTAL	$0	$40,709,100	$40,709,100	$81,418,200	N.A.	

Budget Change Item

1. TRANSFER COMMERCE HOUSING PROGRAMS TO WHEDA

GPR	$10,126,000
PR	2,027,400
FED	69,264,800
Total	$81,418,200

Governor: Transfer the following state housing programs from the Department of Commerce (Commerce) to WHEDA: (1) Housing Cost Grants and Loans, or Housing Cost Reduction Initiative [HCRI]; (2) Transitional Housing Grants; (3) State Shelter Subsidy Grant; (4) Local Housing Organizations Grants [LHOG]; and (5) Interest-Bearing Real Estate Trust Account [IBRETA].

Require the Authority to prepare the five-year comprehensive state housing strategy plan. Also, transfer to WHEDA responsibilities for issuing a report on any bill introduced in the Legislature that affects the development, construction, cost, or availability of housing in the state. Authorize WHEDA to adopt any rules necessary to administer the reporting provision. Current law also contains a similar provision under Chapter 227 requiring Commerce to issue a report on any administrative rule proposal that would substantially affect the development, construction, cost, or availability of housing. The bill would repeal this requirement.

Further, transfer statutory authority for administration or matching funding for the following federal programs from Commerce to WHEDA: (1) Projects for Assistance in the Transition from Homelessness [PATH]; (2) housing rehabilitation portions of the Small Cities Community Development Block Grant [CDBG]; and (3) Emergency Shelter Grant under the federal Stewart B. McKinney Homeless Assistance Act.

Create a housing assistance program in WHEDA in the appropriations schedule, and create the following appropriations:

Appropriation	Source	Annual Funding
General operations	GPR	$509,400
Housing grants and loans (LHOG and HCRI)	GPR	3,097,800
Payments to designated agents (HCRI)	GPR	0
Shelter for homeless and transitional housing grants	GPR	1,413,600
Mental health for homeless persons (PATH matching funds)	GPR	42,200
Housing program services (Non-state agencies)	PR	168,900
Funding for the homeless (IBRETA, State Shelter Subsidy)	PR	422,400
Sale of material and services	PR	0
Housing program services (State agencies)	PR	422,400
Federal funds; state operations	FED	1,632,400
Federal funds; local assistance	FED	10,000,000
Federal funds; aids to individuals and organizations	FED	23,000,000
Total		$40,709,100

Also, delete obsolete WHEDA appropriations specifying certain transfers from Commerce to the Wisconsin job training reserve fund, which is an inactive WHEDA program.

Specify that assets and liabilities, tangible personal property, and contracts of Commerce related to its housing programs (Subchapter X of Chapter 560) would be transferred to WHEDA on the bill's effective date. Under the bill, WHEDA would assume responsibility for administering state and federal funds for housing assistance as noted above, as well as other federal funding not specifically addressed in the statutes but whose distribution is currently assigned to Commerce by the Governor under s. 16.54 of the statutes. [See entries under "Commerce" for additional information on these programs.] In the event WHEDA failed to perform a duty or satisfy an obligation transferred from Commerce under the bill, the Department of Administration would be required to ensure such obligations are met.

Specify WHEDA as the beneficial owner of interest accruing to real estate trust accounts established by real estate brokers to hold client funds. Further, transfer from Commerce to WHEDA or the Department of Safety and Professional Services (DSPS) the authority to examine or audit trust accounts at each entity's discretion. Under current law, real estate brokers that hold client funds such as down payments or earnest money must hold funds in interest-bearing trust accounts at depository institutions. Commerce receives interest on the trust accounts, the proceeds of which support the IBRETA program for grants to organizations providing shelter or services to homeless persons.

The bill would provide WHEDA with $2,141,800 each year for administration of the transferred housing programs, including $509,400 GPR and $1,632,400 FED. As an authority, WHEDA is not a state agency, and staff of the Authority are not included in state position authorizations. However, the state budget system would allocate a portion of both of WHEDA's state administrative appropriations under the bill to salaries and fringe benefits for permanent staff.

[Bill Sections: 19 thru 26, 214, 435 thru 446, 713 thru 716, 1648, 1664, 2730, 2821 thru 2823, 2826, 2827, 3268 thru 3275, 3450 thru 3459, 3461, 3462, 3540, and 9110(1)]

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary						FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$144,590,700	$108,247,300	$108,247,300	- $72,686,800	- 25.1%	30.25	23.25	23.25	- 7.00	- 23.1%
FED	33,466,900	32,841,400	32,841,400	- 1,251,000	- 1.9	36.85	28.75	28.75	- 8.10	- 22.0
PR	7,792,700	5,206,600	5,206,600	- 5,172,200	- 33.2	15.20	11.00	11.00	- 4.20	- 27.6
TOTAL	$185,850,300	$146,295,300	$146,295,300	- $79,110,000	- 21.3%	82.30	63.00	63.00	- 19.30	- 23.5%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

GPR	$218,800
FED	15,200
PR	93,200
Total	$327,200

Governor: Provide $109,400 GPR, $7,600 FED, and $46,600 PR annually to adjust the base budget for: (a) full funding of continuing salaries and fringe benefits ($105,600 GPR and $45,000 PR annually); (b) full funding of lease and directed moves costs ($3,800 GPR, $7,600 FED, and $1,600 PR annually); and (c) minor transfers within the same appropriation.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $351,200
FED	- 316,600
PR	- 117,400
Total	- $785,200

Governor: Delete $392,600 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $175,600 GPR, $158,300 FED, and $58,700 PR annually. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $921,800	- 7.00
FED	- 949,600	- 8.10
PR	- 485,200	- 4.20
Total	- $2,356,600	- 19.30

Governor: Delete $1,178,300 (all funds) and 19.3 FTE positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $460,900

GPR and 7.0 GPR positions, $474,800 FED and 8.1 FED positions, and $242,600 PR and 4.2 PR positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. STATE GENERAL AID REDUCTIONS

GPR	- $71,601,400

Governor: Delete $35,800,700 annually for state general aid to technical college districts from base level funding of $119,335,600. The reduction is equal to 30% of base funding for this purpose.

5. DISTRICT BOARD LEVY LIMIT

Governor: Prohibit a technical college district board's tax levy in 2011 and in 2012 from exceeding the district board's tax levy in 2010. For the purposes of this provision, define "tax levy" to exclude taxes levied for the purpose of paying principal and interest on valid bonds and notes. Provide that if the WTCS Board determines that a district board imposed in 2011 or 2012 an excess levy, meaning a levy amount in excess of its 2010 levy, then the WTCS Board must do all of the following: (a) reduce the amount of state aid payments to the district board in the school year in which the district board imposed the excess levy by an amount equal to the amount of the excess levy; (b) ensure that the amount of any reductions in state aid lapses to the general fund; (c) ensure that the amount of the excess levy is not included in determining the limit for the following year; and (d) ensure that, if a district board's excess levy exceeds the amount of state aid that may be reduced, then the excess amount is subtracted from state aid payments in the following years until the total amount of the excess levy is subtracted from state aid payments.

Provide that the Department of Revenue could issue a finding that a district board is not liable for a state aid penalty that would otherwise be imposed if the Department determines that the district board's excess levy is caused by one of the following clerical errors: (a) the Department, through mistake or inadvertence, has assessed to any county or taxation district, in the current year or in the previous year, a greater or lesser valuation for any year than should have been assessed, causing the district board's levy to be erroneous in a way that directly causes an excess levy; or (b) a taxation district clerk or a county clerk, through mistake or inadvertence in preparing or delivering the tax roll, causes a district board's levy to be erroneous in a way that directly causes an excess levy.

Under current law, a district board's operating levy is limited to 1.5 mills on the full value of the taxable property of the district. The mill limitation is not applicable to taxes levied for the purpose of paying principal and interest on valid bonds or notes. Capital expenditures in excess of $1.5 million must be approved by referendum.

[Bill Section: 1095]

6. ACROSS-THE-BOARD REDUCTIONS

GPR	- $31,200
PR	- 261,000
Total	- $292,200

Governor: Delete $15,600 GPR and $130,500 PR annually as part of reductions to most GPR and PR state operations appropriations excluding salaries and fringe benefits. The following table shows base level funding and annual reduction amounts for the affected appropriations.

	Base	Annual Reduction	Fund Source
Wisconsin Technical College System			
General program operations	$3,296,800	-$15,400	GPR
Agricultural education consultant	69,900	-200	GPR
Auxiliary services	16,900	-1,700	PR
Fire schools--state operations	437,900	-19,900	PR
Conferences	80,600	-8,000	PR
Personnel certification	276,600	-7,100	PR
Interagency projects--state operations	692,100	-56,100	PR
Interagency and intra-agency programs	272,900	-27,300	PR
Services for district boards	130,300	-3,200	PR
Educational Approval Board			
Proprietary school programs	497,600	-7,200	PR

7. PROGRAM REVENUE REDUCTIONS

PR	- $4,401,800

Governor: Reduce funding by $2,200,900 PR annually to reduce program revenue spending authority to reflect actual revenues received. Reduce authorized appropriation levels for the following: (a) truck driver training ($428,200 annually); (b) interagency projects--local assistance ($1,380,600 annually); and (c) interagency projects--state operations ($392,100).

8. FEE REMISSIONS FOR VETERANS AND CERTAIN DEPENDENTS

Governor: Require each technical college district board to grant a full remission of fees for 128 credits or eight semesters, whichever is longer, less the number of credits or semesters for which the person received remission of tuition and fees from any other technical college, from the UW System Board of Regents, and from the UW-Madison Board of Trustees, which would be created under the bill, but not less the amount of any tuition or segregated fees paid under the federal Post-9/11 G.I. Bill, to certain veterans, children, and spouses. Specify that this provision would take effect retroactively on January 1, 2010, and would first apply to students who enrolled in the spring, 2010, semester.

Under current law, each technical college district board is required to grant a full remission of fees for 128 credits or eight semesters, whichever is longer, less the number of credits or semesters for which the person received remission of tuition and fees from any other technical college and from the Board of Regents and less the amount of any tuition or segregated fees paid under the federal Post-9/11 G.I. Bill, to certain veterans, children, and spouses. Before granting a remission of tuition and segregated fees to an eligible veteran, child, or spouse, the technical college district board must require the student who is an eligible veteran, child, or spouse to apply to the payment of fees all educational assistance to which the student is entitled under the federal Post-9/11 G.I. Bill. This provision applies even if the student is eligible for benefits under the Montgomery G.I. Bill or certain other federal education programs for veterans and dependents unless the student is eligible for 12 months or less of benefits under those programs.

According to the administration, the intent of this provision is to require technical college district boards, the UW System Board of Regents, and the UW-Madison Board of Trustees to grant a full remission of tuition and fees charged for 128 credits or eight semesters, whichever is longer, without regard to the number of credits or semesters for which the student received educational assistance under federal programs for eligible veterans.

[Bill Sections: 1098 thru 1101, 9346(1), and 9446 (1)]

9. REPEAL NONRESIDENT TUITION EXEMPTIONS FOR CERTAIN UNDOCUMENTED PERSONS

Governor: Repeal provisions created in 2009 Act 28 requiring WTCS to consider certain undocumented persons as residents of this state for purposes of admission and tuition if that person meets all of the following requirements: (a) the person graduated from a high school in this state or received a declaration of equivalency of high school graduation from this state; (b) the person was continuously present in this state for at least three years following the first day of attending a high school in this state or immediately preceding receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in a district school and provides the district board with proof that the person has filed or will file an application for a permanent resident visa with the U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. Specify that the repeal of these provisions would first apply to persons who enroll for the semester or session following the effective date of the bill.

[Bill Sections: 1096 and 9346(2)]

10. EXEMPT RESEARCH AND STUDIES FROM PUBLIC INSPECTION

Governor: Provide that any governing body that has custody of a record may withhold from public inspection any record that is produced or collected by or for a faculty or staff member of a technical college in conducting research or a study on a commercial, scientific, or technical subject until that information is publicly disseminated or patented. Specify that this would apply to institution and studies sponsored by the research alone or in conjunction with other entities or a private person. Under the bill, this provision would also apply to records produced or collected by UW-Madison and UW System faculty and staff.

[Bill Sections: 354 and 355]

WORKFORCE DEVELOPMENT

Budget Summary						FTE Position Summary				
	2010-11	Governor		2011-13 Change Over Base Year Doubled			Governor		2012-13 Over 2010-11	
Fund	Adjusted Base	2011-12	2012-13	Amount	%	2010-11	2011-12	2012-13	Number	%
GPR	$24,946,800	$23,921,100	$23,921,100	- $2,051,400	- 4.1%	135.73	126.46	126.46	- 9.27	- 6.8%
FED	225,199,600	215,399,400	210,976,500	- 24,023,300	- 5.3	1,289.15	1,072.11	1,033.61	- 255.54	- 19.8
PR	71,360,300	68,090,300	68,090,300	- 6,540,000	- 4.6	299.66	260.61	260.61	- 39.05	- 13.0
SEG	27,857,800	28,250,200	28,250,200	784,800	1.4	103.55	102.30	102.30	- 1.25	- 1.2
TOTAL	$349,364,500	$335,661,000	$331,238,100	- $31,829,900	- 4.6%	1,828.09	1,561.48	1,522.98	- 305.11	- 16.7%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$3,233,200	0.00
FED	- 6,265,100	- 175.50
PR	7,266,400	0.00
SEG	1,871,200	0.00
Total	$6,105,700	- 175.50

Governor: Adjust the agency's base budget by $1,616,600 GPR, $3,633,200 PR, and $935,600 SEG annually, -$921,100 FED and -137.00 FED positions in 2011-12, and -$5,344,000 FED and -175.50 FED positions in 2012-13. The adjustments are for: (a) turnover reduction (-$170,100 GPR, -$1,475,300 FED, -$408,500 PR, and -$144,900 SEG annually); (b) removal of non-continuing elements from the base (-$3,599,700 FED and -137.00 FED positions in 2011-12, -$8,022,600 FED and -175.50 FED positions in 2012-13, and -$88,300 SEG annually); (c) full funding of continuing position salaries and fringe benefits ($1,814,900 GPR, $4,323,300 FED, $3,907,100 PR, and $1,190,200 SEG annually); (d) overtime ($158,300 PR annually); (e) night and weekend pay differential ($67,400 PR annually); (f) full funding of lease and directed moves costs (-$28,200 GPR, -$169,400 FED, -$91,100 PR, and -$21,400 SEG annually); and (g) minor transfers within the same appropriation.

The 175.50 positions, which the Governor proposes to be deleted, are federally funded project positions set to expire before the end of 2012-13. These positions include 89.00 positions for the Division of Employment and Training (DET), 85.50 positions for the Division of Unemployment Insurance (UI), and 1.00 position for the Labor and Industry Review Commission (LIRC). Of the 89.00 DET positions (24.00 of which are vacant), 52.00 were funded through ARRA funds, 21.00 were funded from Trade Adjustment Assistance grants, and 16.00 positions were funded through several federal grant awards. The DET positions were added to support training and assistance programs for unemployed workers. The 85.50 UI positions (15.00 of which are vacant) were created in response to the increase in unemployment claims for claims processing, adjudicators of disputed claims, claims investigators, and processing of claims appeals. 80.50 of the UI positions were funded from the general UI grant, and 5.0 were funded from the UI-DET Re-employment Eligibility and Assessment grant. The 1.00 LIRC position was provided for a legal associate, funded 100% by UI grants, to reduce the backlog of Ul cases by preparing synopses of UI hearings used to review appeals of decisions made by UI administrative law judges.

2. INCREASE EMPLOYEE CONTRIBUTIONS FOR PENSIONS AND HEALTH INSURANCE

GPR	- $1,087,000
FED	- 8,798,600
PR	- 2,827,200
SEG	- 924,200
Total	- $13,637,000

Governor: Delete $6,818,500 annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. The reductions would include $543,500 GPR, $4,399,300 FED, $1,413,600 PR, and $462,100 SEG. The calculation of retirement savings is based on employee WRS contributions equal to 5.8% of salary. Health insurance cost reductions are based on employees paying an average of approximately 12.6% of total premium costs, compared to the current average of approximately 6% of costs.

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $976,800	- 9.27
FED	- 6,634,800	- 59.76
PR	- 2,182,000	- 15.60
SEG	- 162,200	- 1.25
Total	- $9,955,800	- 85.88

Governor: Delete $4,977,900 (all funds) and 85.88 positions annually to reflect the elimination of long-term vacant positions under the bill. The reductions would include $488,400 GPR and 9.27 GPR positions, $3,317,400 FED and 59.76 FED positions, $1,091,000 PR and 15.60 PR positions, and $81,100 SEG and 1.25 SEG positions annually. Funding and position reductions are associated with positions that have been vacant for 12 months or more.

4. BUDGET EFFICIENCY REDUCTIONS

GPR	- $3,220,800
PR	- 949,800
Total	- $4,170,600

Governor: Delete $1,610,400 GPR and $474,900 PR, annually, as part of budget adjustment efficiency measures. The reductions, by appropriation, are shown below.

Fund	Appropriation	Annual Reduction
GPR	General program operations; workforce development	-$97,200
GPR	Special death benefit	-52,500
GPR	State supplement to employment opportunity demonstration projects	-22,300
GPR	Local youth apprenticeship grants	-206,500
GPR	Employment transit aids; state funds	-51,600
GPR	Youth summer jobs program	-46,900
GPR	General program operations; review commission	-1,000
GPR	Vocational rehabilitation; purchased services for clients	-1,132,400
PR	Auxiliary services	-42,200
PR	Local agreements	-195,900
PR	Unemployment interest and penalty payments	-181,600
PR	Child labor permit system; fees	-2,800
PR	Nursing workforce survey and grants	-17,300
PR	Vocational rehabilitation services for tribes	-35,100
	Total	-$2,085,300

The reduced funding represents a cut of approximately 10% of the agency's adjusted base amount for the following appropriations: (a) special death benefits; (b) state supplement to employment opportunity demonstration projects; (c) local youth apprenticeship grants; (d) employment transit aids; state aids; (e) youth summer jobs program; (f) auxiliary services; (g) local agreements; (h) nursing workforce survey and grants; and (i) vocational rehabilitation services for tribes. Among the other appropriations, budget efficiency reductions reflect reduced base funds of approximately: (1) 1.7% for general program operations; workforce development; (2) 0.6% for general program operations; review commission; (3) 7.5% for vocational rehabilitation; purchased services for clients; (4) 8.9% for unemployment interest and penalty payments; and (5) 0.6% for child labor permit system; fees.

5. REPLACEMENT OF CLASSIFIED POSITIONS WITH UNCLASSIFIED POSITIONS

Governor: Delete 2.0 PR classified positions and provide 2.0 PR unclassified positions under DWD's administrative services appropriation.

Under 2011 Act 10, 38 classified positions were transferred into the unclassified service to serve as division administrators. Act 10 also redefined "administrators" to include "other managerial positions determined by an appointing authority." The State Budget Office indicates that personnel from three separate employment areas (attorney services positions, communications positions, and legislative liaison positions) would be moved from classified to unclassified service within specified agencies. The revised unclassified positions would be renamed as either chief legal advisors, communications directors, or legislative advisors. Individuals in these unclassified positions would be at will employees appointed by the heads of the respective agencies.

The provisions in the 2011-13 biennial budget bill effectuate the intent of Act 10 in regards to the transfer of classified positions to unclassified positions as recommended by the

Governor.

6. CONVERT LEGISLATIVE LIAISON FROM CLASSIFIED TO UNCLASSIFIED POSITION

Governor: Convert 1.0 PR classified legislative liaison position to an unclassified position under DWD's administrative services appropriation. As noted in the prior entry, 2011 Act 10 transferred 38 classified positions into the unclassified service to serve as division administrators, including 2.0 DWD positions. A technical amendment would be required to accomplish the administration's goal of converting one additional classified position into an unclassified position as compared to current law as amended by Act 10.

[Bill Section: 2755]

7. MOVE ACCOUNTANT POSITION TO DEPARTMENT OF CHILDREN AND FAMILIES (DCF)

	Funding	Positions
PR	- $223,200	- 1.00

Governor: Delete $111,600 and 1.00 position annually related to the transfer to DCF of one position and the incumbent employee, if any, holding that position in DWD performing duties that are primarily related to local agency reimbursement contracts for programs administered by DCF, as determined by the Secretary of Administration. Specify that the transferred employee would maintain the same rights and status at DCF that he or she enjoyed in DWD immediately prior to the transfer and that if the employee had attained permanent employment status, the employee would not be required to serve a probationary period. The proposed transfer would take effect on the day following publication of the budget bill.

According to DWD, the person occupying the position is an advanced accountant that currently allocates 100% of their workload to DCF and performs the following tasks: (a) manages and processes payments associated with DCF grants run through the Central Office Reporting System; (b) processes and performs calculations based on information from county related DCF programs, which is used to determine cost allocations; (c) determines the amount owed to the state and federal government for collections by county agencies and incentives earned by county agencies; and (d) performs audits of purchases by DCF staff. DWD reports that DCF has paid 100% of the cost for this position since 2008-09.

[Bill Section: 9154(1)]

8. DELETE POSITIONS FROM THE DIVISION OF EMPLOYMENT AND TRAINING

	Funding	Positions
FED	- $2,324,800	- 20.28
PR	- 2,499,400	- 22.45
Total	- $4,824,200	- 42.73

Governor: Delete $1,162,400 FED and $1,249,700 PR, annually, and delete 20.28 FED and 22.45 PR positions from the Division of Employment and Training. Of these positions, 5.28 FED and 22.45 PR positions managed certain programs, such as W-2 and the Bureau of Child Support, on behalf of DCF during the transition of programs from DWD to DCF. DCF had previously paid DWD 100% of the cost of these 27.73 positions; therefore, funding for these positions no longer existed and the positions became vacant once DCF assumed management responsibility for these programs. The remaining 15.00 FED positions were mostly Employment and Training Specialists; however, those positions are currently vacant and funding for those positions no longer exists.

9. UNEMPLOYMENT TAX AND ACCOUNTING SYSTEM; ASSESSMENTS

PR	- $5,124,800

Governor: Delete $2,562,400 annually, to reflect the expiration of assessments for the unemployment tax and accounting system. The proposal would reduce expenditure authority under this appropriation to $0. Prior to 2010, each employer that is subject to contribution financing was required to pay an assessment to the administrative account of the unemployment reserve fund equal to the lesser of 0.01% of its payroll for that year or the solvency contribution that would otherwise be payable by the employer for that year. Because the assessment is no longer being imposed, no fee revenue will be generated for this appropriation in 2011-12 or 2012-13.

10. VOCATIONAL REHABILITATION -- HOMECRAFT SERVICES

Governor: Eliminate the requirement that DWD provide the following services to eligible persons with severe disabilities through the Division of Vocational Rehabilitation (DVR): (a) craft instruction; (b) home-based employment and craftwork opportunities; and (c) assistance in marketing finalized homecraft products. According to the Department, federal law prohibits the provision of these services with federal vocational rehabilitation monies. The proposal would eliminate references in state law to services that are no longer provided by DVR.

[Bill Sections: 1317 thru 1320]

11. ELIMINATE UNUSED APPROPRIATIONS

Governor: Repeal DWD's GPR appropriation for assistance for dislocated workers, and repeal the Department's PR appropriation for dislocated worker program grants. The Governor has recommended deleting these two appropriations due to inactivity and lack of funding. Funding was last provided to the assistance for dislocated worker appropriation in 1994-95. The appropriation for dislocated worker program grants was created pursuant to 1989 Act 44, and funding was never provided for this appropriation.

[Bill Sections: 683, 684, and 2392]